

Explanatory Statement

pursuant to Section 412 of the *Corporations Act 2001* (Cth)

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You are encouraged to read it in its entirety, take professional advice, and consult with your professional advisers when making any decisions in connection with a BLY Creditor Scheme, including deciding whether or not to vote in favour of it.

For the Creditors' Scheme of Arrangement between:

Boart Longyear Limited

ACN 123 052 728

Boart Longyear Australia Pty Limited

ACN 000 401 025

Boart Longyear Investments Pty Limited

ACN 124 070 373

Boart Longyear Management Pty Limited

ACN 123 283 545

Votraint No. 1609 Pty Limited

ACN 119 244 272

BL Capital Management LLC

ARBN 649 445 321

BLY US Holdings Inc.

ARBN 649 445 394

(together, defined as the "Scheme Companies")

and

The Secured Scheme Creditors

(as defined in the Secured Creditors' Scheme)

In order for the Secured Creditors' Scheme to proceed, it must be approved by the Secured Scheme Creditors. Approval will be sought at the Secured Creditors' Scheme Meeting that will commence at 10.30 am (Sydney time) on 31 August 2021 at Ashurst, Level 11, 5 Martin Place, Sydney. Further details of the Secured Creditors' Scheme Meeting and on how to vote at the Secured Creditors' Scheme Meeting, as well as information about the proposed Secured Creditors' Scheme, are set out in this Explanatory Statement.

For the Creditors' Scheme of Arrangement between:

Boart Longyear Limited

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(together, defined as the "Scheme Companies")

and

The Unsecured Scheme Creditors

(as defined in the Unsecured Creditors' Scheme)

and

The Subordinate Claim Holders

(as defined in the Unsecured Creditors' Scheme)

In order for the Unsecured Creditors' Scheme to proceed, it must be approved by the Unsecured Scheme Creditors. Approval will be sought at the Unsecured Creditors' Scheme Meeting that will commence at 11.30 am (Sydney time) on 31 August 2021 at Ashurst, Level 11, 5 Martin Place, Sydney. Further details of the Unsecured Creditors' Scheme Meeting and on how to vote at the Unsecured Creditors' Scheme Meeting, as well as information about the proposed Unsecured Creditors' Scheme, are set out in this Explanatory Statement.



Legal adviser to the Scheme Companies

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN "CREDITOR SCHEMES TRANSACTION SECURITIES" (AS DEFINED HEREIN). NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT MAY BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

THE CREDITOR SCHEMES TRANSACTION SECURITIES PROPOSED TO BE ISSUED PURSUANT TO THE BLY CREDITOR SCHEMES WILL NOT BE REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION UNLESS EXPRESSLY SPECIFIED HEREIN, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON CERTAIN EXEMPTIONS FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. CONSEQUENTLY, NEITHER THESE CREDITOR SCHEMES TRANSACTION SECURITIES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE OFFERED, SOLD ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE U.S. OR TO U.S. PERSONS (AS DEFINED IN THE U.S. SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE U.S. SECURITIES ACT IS AVAILABLE.

Further important information is set out under the heading "IMPORTANT INFORMATION" in the enclosed Explanatory Statement.

If you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Secured Scheme Creditor or an Unsecured Scheme Creditor, or do so before the date of the Secured Creditors' Scheme Meeting or Unsecured Creditors' Scheme Meeting (as applicable) you are requested to forward a copy of this document to the person or persons to whom you have assigned, sold or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Secured Scheme Creditor or an Unsecured Scheme Creditor (as applicable). If you are in any doubt as to the action you should take, you should consult your professional adviser without delay.

NOTICE OF SECURED CREDITORS' SCHEME MEETING

- (1) **BOART LONGYEAR LIMITED ACN 123 052 728**
- (2) **BOART LONGYEAR AUSTRALIA PTY LIMITED ACN 000 401 025**
- (3) **BOART LONGYEAR INVESTMENTS PTY LIMITED ACN 124 070 373**
- (4) **BOART LONGYEAR MANAGEMENT PTY LIMITED ACN 123 283 545**
- (5) **VOTRAINT NO. 1609 PTY LIMITED ACN 119 244 272**
- (6) **BL CAPITAL MANAGEMENT LLC ARBN 649 445 321**
- (7) **BLY US HOLDINGS INC. ARBN 649 445 394**

NOTICE OF MEETING OF SECURED SCHEME CREDITORS TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT

Capitalised terms in this Notice of Secured Creditors' Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

To: the Secured Scheme Creditors in respect of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of the Secured Scheme Creditors (as defined in the Secured Creditors' Scheme) be convened to consider and, if thought fit, agree to (with or without modification) the proposed Secured Creditors' Scheme between the Secured Scheme Creditors and the Scheme Companies.

1. Notice

NOTICE IS HEREBY GIVEN that a meeting of the Secured Scheme Creditors will be held at Ashurst, Level 11, 5 Martin Place, Sydney on **31 August 2021** at **10:30 am (Sydney Time)** (the "**Secured Creditors' Scheme Meeting**").

Secured Scheme Creditors (or their proxies, attorneys or corporate representatives, as applicable) who are unable to, or do not wish to, attend the Secured Creditors' Scheme Meeting in person may attend online through an online platform. A URL link and access password for the online platform can be requested from the Information Agent via e-mail (at Boartscheme@primeclerk.com).

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, the Scheme Companies encourage Secured Scheme Creditors to attend the Secured Creditors' Scheme Meeting online or lodge a proxy in advance of the Secured Creditors' Scheme Meeting, rather than attending the Secured Creditors' Scheme Meeting in person.

For the health and safety of all attendees, the Scheme Companies will be observing social distancing and any other government requirements that apply at the time of the Secured Creditors' Scheme Meeting. The Scheme Companies will be monitoring the COVID-19 situation closely and if it becomes necessary or appropriate to change the way the Secured Creditors' Scheme Meeting will be held or conducted, information will be provided on BLY's website at <http://www.boartlongyear.com/> and lodged with ASX.

More detailed instructions on how to participate in the Secured Creditors' Scheme Meeting via the online platform are set out in section 12 of the enclosed Explanatory Statement.

The purpose of the Secured Creditors' Scheme Meeting is for the Secured Scheme Creditors to consider and, if thought fit:

RESOLVE THAT pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between the Scheme Companies and the Secured Scheme Creditors, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Secured Creditors' Scheme in any material respect) (the "**Secured Creditors' Scheme Resolution**").

For further information the Secured Scheme Creditors should refer to the Explanatory Statement accompanying this Notice of Secured Creditors' Scheme Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Secured Creditors' Scheme.

2. Agenda

The agenda for the Secured Creditors' Scheme Meeting will be as follows:

- (a) the Chairperson will address those present at the Secured Creditors' Scheme Meeting, and provide an explanation of the background to and purpose of the Secured Creditors' Scheme Meeting;
- (b) there will be a general presentation in relation to the proposed Secured Creditors' Scheme and attendees will be given a reasonable opportunity to ask questions in relation to the Secured Creditors' Scheme;
- (c) the procedure for voting on the Secured Creditors' Scheme will be explained; and
- (d) the Secured Creditors' Scheme Resolution to agree to the Secured Creditors' Scheme will be put to the Secured Scheme Creditors present in person or by proxy, attorney or corporate representative at the Secured Creditors' Scheme Meeting for discussion and vote.

3. Attendance and voting at the Secured Creditors' Scheme Meeting

To be eligible to vote at the Secured Creditors' Scheme Meeting, you must be a Secured Scheme Creditor as at Voting Entitlement Record Date and must:

- (a) if you are a TLA Purchaser, have lodged a completed TLA Proof of Debt Form with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time);
- (b) if you are a TLB Purchaser, have lodged a completed TLB Proof of Debt Form with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time);
- (c) if you are a SSN Noteholder, ensure that you instruct your Account Holder to complete a SSN Account Holder Letter and lodge it with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

The Chairperson will then adjudicate upon your Claim as set out in the TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter (as applicable) based on the information contained in or provided with the TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter (as applicable), as well as the information known to the Chairperson, for voting purposes only.

Secured Scheme Creditors may attend the meeting in person (either physically or online), appoint a proxy to attend in their place, attend by corporate representative (if a corporation) or attend by attorney. For a Secured Scheme Creditor to appoint a proxy, a TLA Proxy Form, TLB Proxy Form or SSN Account Holder Letter (as applicable) must be received by the Information Agent by 4.00 pm on 25 August 2021 (New York City Time). The TLA Proxy Form, TLB Proxy Form, TLA Proof of Debt Form, TLB Proof of Debt Form and SSN Account Holder Letter are set out at Annexures G, H, I, J and K (respectively) to the enclosed Explanatory Statement. If any Secured Scheme Creditors wish to vote by attorney or corporate representative, their attorney or corporate representative should bring to the meeting evidence of his or her appointment including evidence of the authority under which the appointment was made.

4. Unsecured Creditors' Scheme Meeting

In the event you are a Secured Scheme Creditor as at the Voting Entitlement Record Date, you will also be an Unsecured Scheme Creditor eligible to vote in relation to the Unsecured Creditors' Scheme at the Unsecured Creditors' Scheme Meeting to be held on 31 August 2021 at 11:30 am (Sydney Time).

For further information in relation to the Unsecured Creditors' Scheme Meeting, please have regard to the Notice of Unsecured Creditors' Meeting dated 29 July 2021.

SECURED SCHEME CREDITORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE SECURED CREDITORS' SCHEME, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE SECURED CREDITORS' SCHEME.

Dated 29 July 2021

NOTICE OF UNSECURED CREDITORS' SCHEME MEETING

- (1) **BOART LONGYEAR LIMITED ACN 123 052 728**
- (2) **BOART LONGYEAR AUSTRALIA PTY LIMITED ACN 000 401 025**
- (3) **BOART LONGYEAR INVESTMENTS PTY LIMITED ACN 124 070 373**
- (4) **BOART LONGYEAR MANAGEMENT PTY LIMITED ACN 123 283 545**
- (5) **VOTRAINT NO. 1609 PTY LIMITED ACN 119 244 272**
- (6) **BL CAPITAL MANAGEMENT LLC ARBN 649 445 321**
- (7) **BLY US HOLDINGS INC. ARBN 649 445 394**

NOTICE OF MEETING OF UNSECURED SCHEME CREDITORS TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT

Capitalised terms in this Notice of Unsecured Creditors' Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

To: the Unsecured Scheme Creditors in respect of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of the Unsecured Scheme Creditors (as defined in the Unsecured Creditors' Scheme) be convened to consider and, if thought fit, agree to (with or without modification) the proposed Unsecured Creditors' Scheme between the Unsecured Scheme Creditors, the Scheme Companies and the Subordinate Claim Holders.

1. Notice

NOTICE IS HEREBY GIVEN that a meeting of the Unsecured Scheme Creditors will be held at Ashurst, Level 11, 5 Martin Place, Sydney on **31 August 2021** at **11:30 am (Sydney Time)** (the "**Unsecured Creditors' Scheme Meeting**").

Unsecured Scheme Creditors (or their proxies, attorneys or corporate representatives, as applicable) who are unable to, or do not wish to, attend the Unsecured Creditors' Scheme Meeting in person may attend online through an online platform. A URL link and access password for the online platform can be requested from the Information Agent via e-mail (at Boartscheme@primeclerk.com).

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, the Scheme Companies encourage Unsecured Scheme Creditors to attend the Unsecured Creditors' Scheme Meeting online or lodge a proxy in advance of the Unsecured Creditors' Scheme Meeting, rather than attending the Unsecured Creditors' Scheme Meeting in person.

For the health and safety of all attendees, the Scheme Companies will be observing social distancing and any other government requirements that apply at the time of the Unsecured Creditors' Scheme Meeting. The Scheme Companies will be monitoring the COVID-19 situation closely and if it becomes necessary or appropriate to change the way the Unsecured Creditors' Scheme Meeting will be held or conducted, information will be provided on BLY's website at <http://www.boartlongyear.com/> and lodged with ASX.

More detailed instructions on how to participate in the Unsecured Creditors' Scheme Meeting via the online platform are set out in section 12 of the enclosed Explanatory Statement.

The purpose of the Unsecured Creditors' Scheme Meeting is for the Unsecured Scheme Creditors to consider and, if thought fit:

RESOLVE THAT pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Unsecured Creditors' Scheme in any material respect) (the "**Unsecured Creditors' Scheme Resolution**").

For further information the Unsecured Scheme Creditors should refer to the Explanatory Statement accompanying this Notice of Unsecured Creditors' Scheme Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Unsecured Creditors' Scheme.

2. Agenda

The agenda for the Unsecured Creditors' Scheme Meeting will be as follows:

- (a) the Chairperson will address those present at the Unsecured Creditors' Scheme Meeting, and provide an explanation of the background to and purpose of the Unsecured Creditors' Scheme Meeting;
- (b) there will be a general presentation in relation to the proposed Unsecured Creditors' Scheme and attendees will be given a reasonable opportunity to ask questions in relation to the Unsecured Creditors' Scheme;
- (c) the procedure for voting on the Unsecured Creditors' Scheme will be explained; and
- (d) the Unsecured Creditors' Scheme Resolution to agree to the Unsecured Creditors' Scheme will be put to the Unsecured Scheme Creditors present in person or by proxy, attorney or corporate representative at the Unsecured Creditors' Scheme Meeting for discussion and vote.

3. Attendance and voting at the Unsecured Creditors' Scheme Meeting

To be eligible to vote at the Unsecured Creditors' Scheme Meeting, you must be an Unsecured Scheme Creditor as at Voting Entitlement Record Date and must:

- (a) if you are a TLA Purchaser, have lodged a completed TLA Proof of Debt Form with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time);
- (b) if you are a TLB Purchaser, have lodged a completed TLB Proof of Debt Form with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time);
- (c) if you are a SSN Noteholder, ensure that you instruct your Account Holder to complete a SSN Account Holder Letter and lodge it with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time); or
- (d) if you are a SUN Noteholder, ensure that you instruct your Account Holder to complete a SUN Account Holder Letter and lodge it with the Information Agent by 4.00 pm on 25 August 2021 (New York City Time).

The Chairperson will then adjudicate upon your Claim as set out in the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as

applicable) based on the information contained in or provided with the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable), as well as the information known to the Chairperson, for voting purposes only.

Unsecured Scheme Creditors may attend the meeting in person (either physically or online), appoint a proxy to attend in their place, attend by corporate representative (if a corporation) or attend by attorney. For an Unsecured Scheme Creditor to appoint a proxy, a TLA Proxy Form, TLB Proxy Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) must be received by the Information Agent by 4.00 pm on 25 August 2021 (New York City Time). The TLA Proxy Form, TLB Proxy Form, TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and SUN Account Holder Letter are set out at Annexures G, H, I, J, K and L (respectively) to the enclosed Explanatory Statement. If any Unsecured Scheme Creditors wish to vote by attorney or corporate representative, their attorney or corporate representative should bring to the meeting evidence of his or her appointment including evidence of the authority under which the appointment was made.

4. Secured Creditors' Scheme Meeting

TLA Purchasers, TLB Purchasers and SSN Noteholders who are Unsecured Scheme Creditors as at the Voting Entitlement Record Date will also be Secured Scheme Creditors eligible to vote in relation to the Secured Creditors' Scheme at the Secured Creditors' Scheme Meeting to be held on 31 August 2021 at 10:30 am (Sydney Time).

For further information in relation to the Secured Creditors' Scheme Meeting, please have regard to the Notice of Secured Creditors' Meeting dated 29 July 2021.

UNSECURED SCHEME CREDITORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE UNSECURED CREDITORS' SCHEME, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE UNSECURED CREDITORS' SCHEME.

Dated 29 July 2021

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Annexure

A	Secured Creditors' Scheme of Arrangement
B	Unsecured Creditors' Scheme of Arrangement
C	FTI Consulting Report
D	Certified Copies of Financial Statements
E	Report On Company Activities and Property (ASIC Form 507)
F	Scheme Administrators' Scale of Charges
G	TLA Proxy Form
H	TLA Proof of Debt Form
I	TLB Proxy Form
J	TLB Proof of Debt Form
K	SSN Account Holder Letter
L	SUN Account Holder Letter
M	List of Secured Scheme Creditors
N	List of Unsecured Scheme Creditors
O	ASX Announcement dated 13 May 2021

1. **IMPORTANT INFORMATION REGARDING THE SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

THE SECURED SCHEME CREDITORS AND UNSECURED SCHEME CREDITORS SHOULD READ THIS EXPLANATORY STATEMENT IN ITS ENTIRETY BEFORE MAKING A DECISION WHETHER OR NOT TO VOTE IN FAVOUR OF THE SECURED CREDITORS' SCHEME AND/OR THE UNSECURED CREDITORS' SCHEME (AS APPLICABLE)

1.1 **Orders to convene the Scheme Meeting**

On 29 July 2021, the Court made orders under section 411(1) of the Corporations Act directing that a meeting of the Secured Scheme Creditors be convened to vote upon the proposed Secured Creditors' Scheme, and that a meeting of the Unsecured Scheme Creditors be convened to vote upon the proposed Unsecured Creditors' Scheme.

This Explanatory Statement has been provided to the Secured Scheme Creditors in connection with the Secured Creditors' Scheme Meeting, and to the Unsecured Scheme Creditors in connection with the Unsecured Creditors' Scheme Meeting for the purpose of considering and, if thought fit, agreeing to the proposed Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively.

The Secured Creditors' Scheme Meeting will commence at:

10.30 am on, 31 August 2021

at

Ashurst Australia, 5 Martin Place, Sydney, NSW 2000, Australia

The Unsecured Creditors' Scheme Meeting will comment at:

11.30 am on, 31 August 2021

at

Ashurst Australia, 5 Martin Place, Sydney, NSW 2000, Australia

Further information on the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting and the procedure for voting is set out in section 12 of this Explanatory Statement.

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE *CORPORATIONS ACT 2001* (CTH)

The fact that under section 411(1) of the *Corporations Act 2001* (Cth) the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the notice of the meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed BLY Creditor Schemes or as to how Secured Scheme Creditors or Unsecured Scheme Creditors should vote (on this matter Secured Scheme Creditors and the Unsecured Scheme Creditors must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the Explanatory Statement.

The Court's order under section 411(1) is not an endorsement of, or any other expression of opinion on, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme.

1.2 Prescribed information

Under section 412(1) of the Corporations Act and regulation 5.1.01 of the Corporations Regulations, this Explanatory Statement must contain certain information to assist the Secured Scheme Creditors and Unsecured Scheme Creditors in deciding whether or not to vote in favour of the proposed Secured Creditors' Scheme or Unsecured Creditors' Scheme respectively. The table below indicates where in this Explanatory Statement that information can be found.

Prescribed information	Section of this Explanatory Statement
A statement that an order under s 411(1) of the Corporations Act is not an endorsement of, or any other expression of opinion on, the BLY Creditor Schemes	Section 1.1
An explanation of the effect of the proposed BLY Creditor Schemes	Section 8
The criteria and the date for determining the participants in the BLY Creditor Schemes, the persons entitled to vote at the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting, and the persons who will be bound by the BLY Creditor Schemes.	Sections 8.15 and 12
The expected dividend that would be paid to the Secured Scheme Creditors and Unsecured Scheme Creditors if the Scheme Companies were wound up within 6 months of the Court's order on the date of the First Court Hearing	Section 9
The Implied Value (otherwise known as the expected dividend that would be paid) of the interests of the Secured Scheme Creditors and Unsecured Scheme Creditors if the Secured Creditors' Scheme and Unsecured Creditors' Scheme were put into effect as proposed	Section 9
The material interests of the Directors of the Scheme Companies	Section 11.1
Certified copies of all financial statements to be lodged by the Scheme Companies with ASIC	Annexure D
Reports on the affairs of the Scheme Companies	Annexure E

Prescribed information	Section of this Explanatory Statement
The scale of charges that the Scheme Administrators propose to charge to implement the BLY Creditor Schemes	Annexure F
A list of the names of all known Secured Scheme Creditors and the debts owed to those Secured Scheme Creditors	Annexure M
A list of the names of all known Unsecured Scheme Creditors and the debts owed to those Unsecured Scheme Creditors	Annexure N

2. IMPORTANT INFORMATION IN RESPECT OF THE BLY CREDITOR SCHEMES

2.1 Responsibility statement

The Scheme Companies have provided and are responsible for all information in this Explanatory Statement (other than the FTI Consulting Information). The Scheme Companies and their Directors, officers, employees, and advisers expressly disclaim and do not assume any responsibility for the accuracy or completeness of the FTI Consulting Information.

This Explanatory Statement has been prepared solely for use by the Secured Scheme Creditors and the Unsecured Scheme Creditors for the purpose of evaluating whether or not to vote in favour of the Secured Creditors' Scheme and Unsecured Creditors' Scheme respectively. No other person apart from the Scheme Companies and FTI Consulting (only in respect of the FTI Consulting Information) has been authorised to make any representation or warranty, express or implied, as to its accuracy or completeness. Nothing contained in this Explanatory Statement is, or should be relied on as, a representation, assurance or guarantee as to the benefits of the Secured Creditors' Scheme or Unsecured Creditors' Scheme over any alternative for the Secured Scheme Creditors or Unsecured Scheme Creditors as applicable.

FTI Consulting has prepared the FTI Consulting Report in relation to the Scheme Companies and the proposed BLY Creditor Schemes based, in part, on information provided by the Scheme Companies. Except to the extent that the Scheme Companies are responsible for the information they have provided to FTI Consulting for the purpose of the FTI Consulting Report (and the Scheme Companies take responsibility for that information), FTI Consulting takes responsibility for the FTI Consulting Information.

The FTI Consulting Information consists of the information in section 9 of this Explanatory Statement, the FTI Consulting Report in Annexure C and certain other information or statements in this Explanatory Statement that have been identified as being sourced from, or attributed to, FTI Consulting.

No person has been authorised to give any information or to make any representation in connection with the BLY Creditor Schemes other than the representations contained in this Explanatory Statement.

2.2 Not financial product or other advice

This Explanatory Statement is not financial product advice. It has been prepared without reference to your particular investment objectives, financial situation, tax situation, needs or specific circumstances. You should not construe any statements made in this Explanatory Statement as investment, tax or legal advice. Your decision whether to vote for or against the proposed BLY Creditor Schemes (as applicable to you) will depend on an assessment of your own individual circumstances. As the financial, legal and taxation consequences of the BLY Creditor Schemes may be different for each Secured Scheme Creditor and Unsecured Scheme Creditor, it is recommended that you seek your own professional financial, legal and taxation advice before making your decision.

2.3 Forward-looking statements

Certain statements in this Explanatory Statement relate to the future. The forward-looking statements in this Explanatory Statement are not based solely on historical facts, but rather reflect the current expectations of the Scheme Companies as at the date of this Explanatory Statement. These statements generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "plan", "may", "estimate", "potential", or other similar words and phrases.

Similarly, statements that describe the Scheme Companies' objectives, plans, goals or expectations are or may be forward looking statements.

Forward-looking statements are based on numerous assumptions regarding present and future circumstances. As such, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual result, performance or achievement to be materially different from the future result, performance or achievement expressed or implied by those statements.

Given this, Secured Scheme Creditors and Unsecured Scheme Creditors are cautioned not to place undue reliance on any forward-looking statements made by the Scheme Companies in this document or elsewhere.

Other than as required by law, none of the Scheme Companies, their Directors, or any other person gives any representation, assurance or guarantee that the occurrence of any event, outcome, performance or achievement expressed or implied in any forward-looking statement in this Explanatory Statement will actually occur. The Scheme Companies have no intention of updating or revising any forward-looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Explanatory Statement, except as required by law.

2.4 Lodged with ASIC

A copy of this Explanatory Statement has been given to ASIC pursuant to section 412(7) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Statement.

2.5 Date of this Explanatory Statement

The date of this Explanatory Statement is 29 July 2021.

2.6 Defined terms and interpretation

Capitalised words used in this Explanatory Statement have the meanings set out section 13.2 of this Explanatory Statement, unless the context otherwise requires or a term has been defined elsewhere in the text of the Explanatory Statement. Some of the attachments to this Explanatory Statement contain their own defined terms and should be read accordingly.

Section 13.1 contains general guidelines for interpreting this Explanatory Statement.

2.7 One Explanatory Statement for both BLY Creditor Schemes

This Explanatory Statement has been prepared to be the explanatory statement to both the Secured Creditors' Scheme and Unsecured Creditors' Scheme. The Secured Creditors' Scheme can only proceed if the Unsecured Creditors' Scheme is approved and becomes effective and vice versa in respect of the Unsecured Creditors' Scheme.

A Secured Scheme Creditor is not entitled to participate in the Unsecured Creditors' Scheme, unless that Secured Scheme Creditor is also an Unsecured Scheme Creditor.

An Unsecured Scheme Creditor is not entitled to participate in the Secured Creditors' Scheme, unless that Unsecured Scheme Creditor is also a Secured Scheme Creditor.

2.8 Secured Scheme Creditors and Unsecured Scheme Creditors outside Australia

This Explanatory Statement has been prepared to reflect the applicable disclosure requirements of Australia, which may be different from the requirements applicable in other

jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with accounting principles and practices generally accepted in Australia, which may differ from generally accepted accounting principles and practices in other jurisdictions.

The implications of the BLY Creditor Schemes for Secured Scheme Creditors and Unsecured Scheme Creditors who are resident in, have a registered address in, are citizens of and/or are taxable in jurisdictions other than Australia may be affected by the laws of the relevant jurisdiction. Such overseas Secured Scheme Creditors and Unsecured Scheme Creditors should inform themselves about and observe any applicable legal requirements.

2.9 Tax disclosure

Please note that terms defined in this section 2.9 do not form part of the Glossary of terms at section 13.2 of this Explanatory Statement.

(a) Australia

Potential Australian tax risks to BLY from the implementation of the BLY Creditor Schemes (excluding the Members' Scheme):

(i) Commercial Debt Forgiveness (CDF)

The exchange of debt for Shares is expected to give rise to a "commercial debt forgiveness" (CDF) under the Australian tax legislation. The CDF rules do not create immediate taxable income for BLY, but give rise to a "net forgiven amount" broadly equal to the difference between the amount of the outstanding debt being exchanged and the value of the Shares issued. This CDF net forgiven amount is applied to reduce available tax losses and other tax attributes of BLY. The amount of the possible CDF net forgiven amount is dependent on the value of the Shares as of the effective date of the exchange, which is not known at this time. While BLY anticipates that some of its carry forward losses will be available to offset the CDF net forgiven amount, BLY may not have sufficient loss carry forwards available to fully offset any CDF net forgiven amount from the exchange. In this situation, the net forgiven amount would then reduce tax basis in other assets. The reduction in tax basis of short-term assets could result in a near-term cash tax liability in the event those assets are disposed of by BLY for amounts in excess of their reduced tax basis.

(ii) Limitation on Use of Prior Year Tax Losses

Australian tax law may limit the ability to use prior year losses to offset future income should BLY fail the "continuity of ownership test" (COT) under the Australian tax legislation (a COT Failure). If a COT Failure occurs prior to the end of the income tax year of BLY in which the CDF occurs, it will increase the risk that the CDF net forgiven amount (as discussed above) will not be fully offset by BLY's carry forward losses and will instead reduce the tax basis of BLY's assets, which could result in a near-term cash tax liability.

Broadly, the COT requires BLY to have maintained more than 50% of the same ultimate beneficial owners from the start of each loss year and at each applicable test time until the end of the income year in which the loss is sought to be recouped (certain concessions are available for listed companies that reduce the number of applicable testing points and limit the extent of tracing required through to ultimate beneficial owners). Due to significant overlap between the creditors who are being issued Shares under the BLY Creditor Schemes and BLY's current shareholders, the implementation of the BLY

Creditor Schemes is not expected to result in an "ownership change" of the Australia Tax Group for the purposes of COT calculation. However, the issuance of new equity to the debtholders may affect BLY's ability to satisfy the COT into the future and equity holders who exit their positions after the implementation of the BLY Creditor Schemes may put at risk the continued ownership requirement.

BLY is separately preparing for a re-domiciliation of BLY to North America which may increase the risk of a COT Failure. For further information in relation to the Members' Scheme, please see section 7 of this Explanatory Statement.

However, in Australia there is a secondary same business test or (depending on the applicable loss year) alternately a similar business test (together known as the "continuity of business test") which, if BLY qualifies, may offer relief if a COT Failure occurs.

(b) **Canada**

The following summary describes the principal Canadian federal income tax considerations in respect of the exchange of Shares and the acquisition and holding of New BLY Parent Shares received pursuant to the Members' Scheme. For greater certainty, any reference to Shares or New BLY Parent Shares in this summary includes any such shares represented by CDIs.

This summary only applies to a beneficial owner of Shares receiving Shares pursuant to the Secured Creditors' Scheme or Unsecured Creditors' Scheme who, at all relevant times, for purposes of the Income Tax Act (Canada) (the **ITA**): (a) is not, or is deemed not to be, resident in Canada for purposes of the ITA (including a partnership that is not a "Canadian partnership" for purposes of the ITA) and any applicable income tax treaty or convention to which Canada is a party; (b) deals at arm's length with BLY and New BLY Parent; (c) is not affiliated with BLY or New BLY Parent; (d) holds the Shares, and will hold any New BLY Parent Shares received under the Members' Scheme, as capital property; and (e) who does not use or hold, and is not deemed to use or hold, Shares in connection with carrying on a business in Canada (a **Non-Resident Holder**).

Generally, the Shares and New BLY Parent Shares will be capital property to a Non-Resident Holder provided the Non-Resident Holder does not hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based on the current provisions of the ITA, and on an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (**CRA**) published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (**Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulation, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary does not apply to a shareholder who:

- (i) is a "specified financial institution";
- (ii) an interest in which is a "tax shelter investment";
- (iii) is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution";
- (iv) reports its "Canadian tax results" in a currency other than Canadian currency;
- (v) has entered or enters into, with respect to any of the shares discussed herein, a "derivative forward agreement" or "synthetic disposition arrangement" (as defined in the ITA);
- (vi) is or was an employee of BLY or New BLY Parent and who acquired Shares or New BLY Parent Shares in respect of, in the course of, or by virtue of, their employment, including pursuant to an employee stock option;
- (vii) that is an Ineligible Foreign Shareholder; or
- (viii) is a "foreign affiliate" of a taxpayer resident in Canada.

Furthermore, this summary does not apply to holders of warrants issued by BLY or New BLY Parent. Any such holders or shareholders should consult its own tax advisor with respect to the Members' Scheme.

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere. Such Non-Resident Holders are advised to obtain their own tax advice.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, shareholders should consult their own tax advisors having regard to their own particular circumstances.

(i) **Consequences of Participation in the Members' Scheme**

A Non-Resident Holder will not be subject to tax under the ITA in respect of any capital gain realised on the exchange of Shares for New BLY Parent Shares under the Members' Scheme, nor will capital losses arising therefrom be reported under the ITA, unless the Shares are, or are deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the ITA and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Shares will not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition thereof under the Members' Scheme unless at any particular time during the 60 month period immediately preceding the disposition:

- (A) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:
 - (aa) real or immovable property situated in Canada;
 - (bb) "Canadian resource properties" (as defined in the ITA);
 - (cc) "timber resource properties" (as defined in the ITA); or

- (dd) an option, an interest or right in such property, whether or not such property exists; and
- (B) if the Shares are then listed on a designated stock exchange (which currently includes the ASX), the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the ITA), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the ITA) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof, concurrently at the time condition (A) is met, owned 25% or more of the issued Shares.

Notwithstanding the foregoing, the Shares could be deemed to be "taxable Canadian property" to a Non-Resident Holder, for example, if a Non-Resident Holder acquired the Shares in exchange for "taxable Canadian property" in certain circumstances set out in the ITA.

If the Shares constitute "taxable Canadian property" to a Non-Resident Holder, such Non-Resident Holder may be required to give notice of the disposition to the CRA and apply for a clearance certificate pursuant to Section 116 of the ITA.

A Non-Resident Holder that holds Shares that may constitute taxable Canadian property should consult its own tax advisor prior to the Members' Scheme.

(ii) **Consequences of Non-Resident Holders owning New BLY Parent Shares**

Any dividends paid or credited, or deemed to be paid or credited, on New BLY Parent Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. For instance, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the Canada United States Income Tax Convention (1980) as amended and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

(iii) **Consequences of Non-Resident Holders disposing of New BLY Parent Shares**

For a Non-Resident Holder to be subject to tax under the ITA on any capital gain realised on the disposition or deemed disposition of New BLY Parent Shares, such New BLY Parent Shares must be or be deemed to be "taxable Canadian property", as defined in the ITA, to the Non-Resident Holder at the time of disposition or deemed disposition and not constitute "treaty-protected property", as defined in the ITA.

New BLY Parent Shares will not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60 month period immediately preceding the disposition:

- (A) more than 50% of the fair market value of the New BLY Parent Shares was derived directly or indirectly from one or any combination of:

- (aa) real or immovable property situated in Canada;
 - (bb) "Canadian resource properties" (as defined in the ITA);
 - (cc) "timber resource properties" (as defined in the ITA); or
 - (dd) an option, an interest or right in such property, whether or not such property exists; and
- (B) if the New BLY Parent Shares are then listed on a designated stock exchange, the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the ITA), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the ITA) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof, concurrently at the time condition (A) is met, owned 25% or more of the issued New BLY Parent Shares

Notwithstanding the foregoing, the New BLY Parent Shares could be deemed to be "taxable Canadian property" to a Non-Resident Holder, for example, if a Non-Resident Holder acquired the New BLY Parent Shares in exchange for "taxable Canadian property" in certain circumstances set out in the ITA.

If the New BLY Parent Shares constitute "taxable Canadian property" to a Non-Resident Holder, such Non-Resident Holder may be required to give notice of the disposition to the CRA and apply for a clearance certificate pursuant to Section 116 of the ITA.

A Non-Resident Holder contemplating a disposition of New BLY Parent Shares that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition.

(c) **United States**

The following discussion summarises certain US federal income tax consequences of the BLY Creditor Schemes to BLY and its subsidiaries. This summary is based on the US Internal Revenue Code of 1986, as amended (the **US Tax Code**), the Treasury Regulations promulgated under the US Tax Code (the **Treasury Regulations**), judicial decisions and published administrative rules, and pronouncements of the Internal Revenue Service (the **IRS**), all as in effect on the date of this Explanatory Statement. Changes in applicable law may have retroactive effect and could significantly affect the US federal income tax consequences described below. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. BLY has not requested, and does not intend to request, any ruling or determination from the IRS or any other taxing authority with respect to the US federal income tax consequences discussed in this Explanatory Statement, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed in this Explanatory Statement. This summary does not address any state, local or non-US tax consequences of the BLY Creditor Schemes to BLY and its subsidiaries. This summary does not address any tax consequences for Secured Scheme Creditors or Unsecured Scheme Creditors, including any tax consequences arising as a result of the receipt of Shares in BLY in cancellation of the debts owed to them, the ownership of such Shares and the potential exchange of Shares in BLY for CDIs in respect of New BLY Parent if the redomiciliation occurs pursuant to the Members' Scheme. Secured Scheme Creditors

and Unsecured Scheme Creditors are urged to consult their own tax advisors regarding any US federal income tax consequences to them of the BLY Creditor Schemes and the re-domiciliation.

For US federal income tax purposes, BLY US is the common parent of an affiliated group of corporations that files a single US federal income tax return (the **US Tax Group**), of which its direct and indirect subsidiaries (other than BCM, which is a disregarded entity of BLY US for US federal income tax purposes) are members of the US Tax Group. The US Tax Group has a substantial amount of federal net operating loss (**NOL**) carryforwards and certain other tax attributes. As discussed below, the US Tax Group's NOL carryforwards and other tax attributes may be significantly reduced in connection with the implementation of the BLY Creditor Schemes.

(i) **Cancellation of Debt and Reduction of Tax Attributes**

In general, absent an exception, a debtor will realise and recognise cancellation of indebtedness income (**COD Income**) upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of: (i) the amount of cash paid; (ii) the issue price of any new indebtedness of the taxpayer issued; and (iii) the fair market value of any other new consideration given in satisfaction of such satisfied indebtedness at the time of the exchange.

Under section 108 of the US Tax Code, a debtor is not, however, required to include any amount of COD Income in gross income (a) if the debtor is under the jurisdiction of a court in a case under title 11 of the United States Code (relating to bankruptcy) and the discharge of debt is granted by the court or is pursuant to a plan approved by the court (the **Bankruptcy Exception**) or (b) to the extent the debtor is insolvent immediately before the discharge (the **Insolvency Exception**). Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes (such as current year losses, NOL carryforwards, capital loss carryforwards, tax credits and tax basis in assets) by the amount of COD Income that it excluded from gross income pursuant to section 108 of the US Tax Code. The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. Any excess COD Income over the amount of available tax attributes will generally not give rise to US federal income tax and will generally have no other US federal income tax impact. Where the debtor joins in the filing of a consolidated US federal income tax return, applicable Treasury Regulations require, in certain circumstances, that certain tax attributes of other members of the group also be reduced.

In connection with the implementation of the BLY Creditor Schemes, BLY US is expected to realise COD Income. The exact amount of any COD Income that will be realised by BLY US will depend on the value of the New Common Equity treated as transferred in satisfaction of the BLY US and BCM debt and, therefore, will not be determinable until the consummation of the BLY Creditor Schemes. The restructuring is occurring pursuant to the BLY Creditor Schemes and the Group will be seeking an order of the US Bankruptcy Court to recognise the BLY Creditor Schemes. In a similar, but not identical, situation, the IRS issued a ruling to another taxpayer concluding that a US Bankruptcy Court recognition of a foreign proceeding allowed the taxpayer to qualify for the Bankruptcy Exception. However, such ruling was based on the specific facts presented at the time and is not binding on the IRS and does

not constitute authority. Depending on the facts, the Group's receipt of the US Bankruptcy Court order recognising the BLY Creditor Schemes may allow BLY US to qualify for the Bankruptcy Exception. If the Bankruptcy Exception does not apply, BLY US expects that it would qualify for the Insolvency Exception. The application of the Insolvency Exception is highly factual, however, and it is possible that BLY US would need to include all or a portion of any COD Income in gross income for US federal income tax purposes. In such case, the US Tax Group's NOL carryforwards would be used to offset COD Income that is included in gross income, though it is possible that the US Tax Group may have a cash tax liability on account of any includible COD Income that cannot be offset by available NOL carryforwards. Any COD Income eligible for the Bankruptcy Exception or Insolvency Exception will reduce US Tax Group tax attributes.

(ii) **Limitation of NOL Carryforwards and Other Tax Attributes**

Under sections 382 and 383 of the US Tax Code, if a corporation undergoes an "ownership change," the amount of any NOL carryforwards, interest expense carryforwards, tax credit carryforwards, net unrealised built-in losses, and possibly certain other attributes of the corporation allocable to periods prior to the ownership change (collectively, **Pre-Change Losses**) that may be utilised to offset future taxable income generally are subject to an annual limitation. In general, the amount of the annual limitation is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (b) the "long-term tax-exempt rate" (1.64% for ownership changes occurring in June 2021). The section 382 limitation may be increased to the extent that the corporation recognises certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognising built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65 (in either case, up to the amount of the company's original net unrealised built-in gain). If a corporation has a net unrealised built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortisation or depreciation deductions attributable to such built-in losses) recognised during the following five years (up to the amount of the original net unrealised built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's net unrealised built-in loss will be deemed to be zero unless it is greater than the lesser of (a) \$10,000,000 or (b) 15% of the fair market value of its assets (with certain adjustments) before the ownership change. The IRS has issued proposed regulations that would significantly modify the calculation and treatment of net unrealised built-in gains and losses. Section 383 of the US Tax Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year.

Due to significant overlap between the creditors receiving BLY stock in the BLY Creditor Schemes and BLY's current shareholder base, the implementation of the BLY Creditor Schemes is not expected to result in an "ownership change" of the US Tax Group for purposes of section 382 and 383 of the US Tax Code.

(iii) **Application of Section 7874 of the US Tax Code**

Following implementation of the BLY Creditor Schemes and, if approved, the Members' Scheme, the Group intends to continue to operate under BLY or, if

the Members' Scheme is approved, New BLY Parent. The IRS may, however, assert that BLY (or New BLY Parent) should be treated as a US corporation for US federal income tax purposes pursuant to section 7874 of the US Tax Code (**Section 7874**). For US federal income tax purposes, a corporation generally is classified as either a US corporation or a foreign corporation by reference to the jurisdiction of its organisation or incorporation. Because BLY is organised in Australia and New BLY Parent would be organised in Canada, each would generally be classified as a foreign corporation under these rules. However, Section 7874 provides an exception to this general rule under which a foreign incorporated entity may, in certain circumstances, be treated as a US corporation for US federal income tax purposes.

Under Section 7874, a corporation created or organised outside the United States (i.e., a foreign corporation) will nevertheless be treated as a US corporation for US federal income tax purposes when (i) the foreign corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a US corporation (including the indirect acquisition of assets of the US corporation by acquiring the outstanding shares of the US corporation) (such acquisition, the **Domestic Entity Acquisition**), (ii) the shareholders of the acquired US corporation hold, by vote or value, at least 80% (or 60% if the Third Country Rule, as defined below, applies) of the shares of the foreign acquiring corporation after the acquisition by reason of holding shares in the acquired US corporation (such percentage held by the shareholders of the acquired US corporation, the **Section 7874 Percentage**), and (iii) the foreign corporation's "expanded affiliated group" does not have substantial business activities in the foreign corporation's country of organisation or incorporation relative to such expanded affiliated group's worldwide activities after the acquisition. If the Section 7874 Percentage is at least 60% but less than 80% and the Third Country Rule (as defined below) does not apply, the acquiring foreign corporation and its affiliates may be subject to adverse tax consequences including, but not limited to, the recognition of "inversion gain" by the acquired US corporation over a 10-year period following the transaction and disqualification of dividends paid from preferential "qualified dividend income" rates. Furthermore, certain "disqualified individuals" (including officers and directors of a US corporation) may be subject to an excise tax on certain stock-based compensation. The Treasury Regulations promulgated under Section 7874 (the **Section 7874 Regulations**) generally provide that if (i) there is a Domestic Entity Acquisition in which the Section 7874 Percentage is at least 60%, and (ii) in a related acquisition, such foreign acquiring corporation acquires another foreign corporation and the foreign acquiring corporation is not resident for tax purposes in the foreign country in which the acquired foreign corporation was tax resident prior to the transactions, then the foreign acquiring corporation will be treated as a domestic corporation for US federal income tax purposes (the **Third Country Rule**). For purposes of determining the ownership percentages under Section 7874, the Section 7874 Regulations treat creditor claims against a US corporation as stock of the US corporation if, immediately before the first date properties of the corporation are acquired in a Domestic Entity Acquisition, the US corporation is in a case under title 11 of the United States Code or is insolvent. The Section 7874 Regulations also exclude "disqualified stock" from the calculation of the Section 7874 Percentage. "Disqualified stock" includes stock issued by a foreign acquiring corporation in exchange for "nonqualified property," which includes certain obligations issued by a member of an "expanded affiliated group," along with certain other property. The Section 7874 Regulations are complex and include other rules that could impact the calculation of the Section 7874 Percentage.

Although it is not free from doubt, based upon the existing capital structure of BLY US, which is owned by a direct subsidiary of BLY, BLY intends to take the position that neither the implementation of the BLY Creditor Schemes nor the Members' Scheme should result in BLY or New BLY Parent (if applicable) being treated as completing a Domestic Entity Acquisition of BLY US and, as a result, neither BLY nor New BLY Parent (if applicable) is expected to be treated as a US corporation for US federal income tax purposes or otherwise subject to the adverse tax consequences of Section 7874. If it is determined that BLY (or New BLY Parent) has completed a Domestic Entity Acquisition of BLY US and certain creditors of BLY US and its direct or indirect subsidiaries own 80% (or 60% if the Third Country Rule applies) or more of BLY (or New BLY Parent) pursuant to the application of the 7874 Regulations, BLY (and/or New BLY Parent) would be treated as a US corporation for US federal income tax purposes. BLY would generally also be considered an Australian tax resident for Australian tax and other non-US tax purposes (and, if applicable, New BLY Parent would generally also be considered a Canadian tax resident for Canadian tax and other non-US tax purposes). As a result, in that case, BLY (and, if applicable, New BLY Parent) would be treated as a dual resident corporation for U.S. federal income tax purposes, which may increase the overall tax expense of the Group. If it is determined that BLY (or New BLY Parent) has completed a Domestic Entity Acquisition of BLY US and certain creditors of BLY US and its direct or indirect subsidiaries own 60% or more, but less than 80%, of BLY (or New BLY Parent) pursuant to the application of the 7874 Regulations (and the Third Country Rule does not apply), BLY and New BLY Parent, if applicable, would be respected as non-US corporations but Section 7874 could apply to cause certain adverse US federal income tax consequences, as discussed above. The application of Section 7874 to the BLY Creditor Schemes and the Members' Scheme is subject to detailed regulations and administrative guidance, the application of which are uncertain in numerous respects. In addition, it is possible that certain current legislative proposals could change the manner in which the Section 7874 rules are applied, potentially with retroactive effect. No assurance can be given that the IRS would not take a contrary position regarding Section 7874's application to BLY (or New BLY Parent) or that such position, if asserted, would not be sustained. Accordingly, Secured Scheme Creditors and Unsecured Scheme Creditors are urged to consult their own tax advisors regarding Section 7874's potential application to the BLY Creditor Schemes and the Members' Scheme.

2.10 **Ineligible Persons**

No action has been taken to register or qualify the Creditor Schemes Transaction Securities or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to BLY, the Secured Scheme Creditors and Unsecured Scheme Creditors whose addresses are in the following jurisdictions will be entitled to have the relevant Creditor Schemes Transaction Securities issued to them under the BLY Creditor Schemes subject to any qualifications set out below in respect of that jurisdiction:

- (a) Australia;
- (b) Bermuda;
- (c) Canada;
- (d) Cayman Islands;

- (e) Ireland, where (i) Secured Scheme Creditors and Unsecured Scheme Creditors are "qualified investors" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union) or (ii) the number of other Secured Scheme Creditors and Unsecured Scheme Creditors is less than 150;
- (f) Italy, where (i) Secured Scheme Creditors and Unsecured Scheme Creditors are "qualified investors" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union) or (ii) the number of other Lenders is less than 150;
- (g) Netherlands, where (i) Secured Scheme Creditors and Unsecured Scheme Creditors are "qualified investors" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union) or (ii) the number of other Secured Scheme Creditors and Unsecured Scheme Creditors is less than 150;
- (h) Switzerland;
- (i) United States; and
- (j) any other person or jurisdiction in respect of which BLY reasonably believes that it is not prohibited and not unduly onerous or impractical to issue Creditor Schemes Transaction Securities to a Secured Scheme Creditor or Unsecured Scheme Creditor with a registered address in such jurisdiction.

If you are located in a jurisdiction which is not listed above, or if you are located in a jurisdiction in which BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, to you in accordance with the laws of that jurisdiction, you may be classed as an 'Ineligible Person' for the purposes of the BLY Creditor Schemes. For further information in relation to how Ineligible Persons will be treated for the purposes of the BLY Creditor Schemes, please refer to section 8.5 of this Explanatory Statement.

2.11 Foreign jurisdiction disclaimers

THIS EXPLANATORY STATEMENT AND THE BLY CREDITOR SCHEMES DO NOT CONSTITUTE AN OFFER OF CREDITOR SCHEMES TRANSACTION SECURITIES IN ANY JURISDICTION IN WHICH IT WOULD BE UNLAWFUL. THIS EXPLANATORY STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY CREDITOR SCHEMES TRANSACTION SECURITIES. NONE OF THE CREDITOR SCHEMES TRANSACTION SECURITIES REFERRED TO IN THIS EXPLANATORY STATEMENT MAY BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

This Explanatory Statement may not be distributed to any person in any country outside Australia except in respect of those jurisdictions described below and in the manner contemplated below.

(a) **United States**

The relevant Creditor Schemes Transaction Securities proposed to be issued pursuant to the BLY Creditor Schemes will not be registered with the U.S. Securities and Exchange Commission (the **SEC**) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction unless expressly specified herein, and are being issued in reliance on certain exemptions from registration under the U.S. Securities Act. Consequently, neither these securities nor any interest or participation therein may be offered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the U.S. or

to U.S. Persons (as defined in the U.S. Securities Act) unless an exemption from the registration requirement of the U.S. Securities Act is available.

(i) **Creditor Share Purchase Option, CSPO Shares and New Warrants**

The Creditor Share Purchase Option, Shares issued upon exercise of the Creditor Share Purchase Option (**CSPO Shares**) and New Warrants will be issued and delivered in reliance upon exemptions from the registration requirements of the U.S. Securities Act, including that provided by section 3(a)(10) of the U.S. Securities Act (Section 3(a)(10)). In order to qualify for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10), there must be a hearing on the fairness of the Unsecured Creditors' Scheme's terms and conditions to the holders, which all the holders are entitled to attend in person or through representatives to oppose the approval of the Unsecured Creditors' Scheme by the Court, and with respect to which notification will be given to all the holders. For the purpose of qualifying for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10), the Scheme Companies intend to rely on the Court's hearing to approve the Unsecured Creditors' Scheme.

In addition, any SUN Noteholder who is an Affiliate of the Scheme Companies at the time of or within 90 days prior to any resale of the CSPO Shares or the New Warrants will be subject to certain U.S. transfer restrictions relating to such securities. CSPO Shares and New Warrants may not be sold without registration under the U.S. Securities Act, except pursuant to an available exemption from the registration requirements of the U.S. Securities Act or in a transaction not subject to such requirements (including a transaction that satisfies the applicable requirements for resale outside of the United States pursuant to Regulation S). Persons who may be deemed to be Affiliates of the Scheme Companies include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with the Scheme Companies and may include certain officers and directors of the Scheme Companies and the principal shareholders of the Scheme Companies. SUN Noteholders will be required to make their own determination of their Affiliate status and should consult their own legal advisers prior to any sale of the New Warrants.

(ii) **Warrant Shares**

In connection with the issue of the Warrant Shares upon the cash exercise of the relevant New Warrants, the relevant holder of the New Warrants will be required to confirm, by delivering a duly executed Representation Letter to the Scheme Companies (with their Exercise Notice), that the relevant holder is a person eligible to receive securities under the U.S. Securities Act and agree in writing to certain representations and covenants, amongst other things. If the confirmations required by the Representation Letter cannot be or are not given, the relevant holder will only be able to exercise their New Warrants as a cashless exercise. Accordingly:

- (A) all SUN Noteholders will be required to deliver a duly executed Representation Letter (with their Exercise Notice) as a condition to the cash exercise of their New Warrants and the issue of resulting Warrant Shares; and
- (B) subsequent holders of New Warrants (that is, those who are not SUN Noteholders) will also be required to deliver a duly executed

Representation Letter (with their Exercise Notice) on the cash exercise of New Warrants,

(together, the SUN Noteholders and subsequent holders of New Warrants described above are the **Applicable Warrant Holders**).

The Warrant Shares will be issued and delivered in reliance upon exemptions from the registration requirements of the U.S. Securities Act. The Warrant Shares to be issued upon cashless exercise will be issued in reliance upon the exemption from registration provided by Section 3(a)(9) of the U.S. Securities Act. The Warrant Shares to be issued upon cash exercise will be issued in the United States solely to persons where such a person is an institutional "accredited investor" (**Accredited Investor**) within the meaning of clauses (1), (2), (3), (7) or (8) of clause (a) of Rule 501 of Regulation D under the U.S. Securities Act (**Regulation D**) in reliance on Rule 506(c) of Regulation D. Outside the United States, the Warrant Shares to be issued upon cash exercise will be issued only in offshore transactions in reliance on Regulation S.

Upon issuance, the Warrant Shares to be issued upon cash exercise will be "restricted securities" (as defined by Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged or otherwise transferred prior to the date that is one year after the later of (x) the date of original issue and (y) the last date on which either BLY or any affiliate of BLY was the owner of such shares (or any predecessor thereto) except (i) in an offshore transaction complying with Regulation S under the U.S. Securities Act, (ii) in the United States, to an Accredited Investor, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) or (iv) pursuant to an effective registration statement under the U.S. Securities Act, and in each of cases (i) through (iv) in accordance with any applicable securities laws of any state of the United States and any other jurisdiction. If at any time an offer, sale or transfer of Warrant Shares is made other than in the ordinary course on ASX where the seller has no reason to know the sale has been prearranged with a person in the United States or a U.S. Person, the holder will and each subsequent holder is required to, notify any purchaser of the Warrant Shares of the resale restrictions set forth in this paragraph.

The Directors of the Scheme Companies understand that none of the Creditor Schemes Transaction Securities will be listed on a U.S. securities exchange, with any securities regulatory authority of any State or other jurisdiction of the United States or with any inter dealer quotation system in the United States. The Scheme Companies do not intend to take action to facilitate a market in any of the Creditor Schemes Transaction Securities in the United States. Consequently, the Scheme Companies believe that it is unlikely that an active trading market in the United States will develop for any such securities.

Neither the SEC nor any U.S. federal, state or other securities commission or regulatory authority has registered, approved or disapproved any of the Creditor Schemes Transaction Securities or passed upon the accuracy or adequacy of this Explanatory Statement. Any representation to the contrary is a criminal offence in the United States.

Secured Scheme Creditors and Unsecured Scheme Creditors should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable) in their particular circumstances.

The issuance of the Creditor Schemes Transaction Securities to the Secured Scheme Creditors and Unsecured Scheme Creditors (as explained in detail in this Explanatory Statement) relates to the issuance of shares and warrants in an Australian company and is proposed to be made by and pursuant to a scheme of arrangement under Australian company law. Accordingly, the BLY Creditor Schemes are subject to the disclosure requirements, rules and practices applicable to Australian schemes of arrangement and the information in this Explanatory Statement is not the same as that which would have been disclosed if the Explanatory Statement had been prepared for the purposes of complying with the registration requirements of the U.S. Securities Act or in accordance with the laws or regulations of any other jurisdiction. Financial information regarding the Scheme Companies referred to in this Explanatory Statement has been or will have been prepared in accordance with Australian accounting standards that may not be comparable to the accounting standards applicable to financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for Secured Scheme Creditors and the Unsecured Scheme Creditors in the United States to enforce their rights and claims arising out of U.S. federal securities laws against officers and directors of the Scheme Companies who are residents of countries other than the United States, and it may not be possible to sue the Scheme Companies in a non U.S. court for violations of U.S. securities laws.

(b) **Bermuda**

No offer or invitation to subscribe for the Creditor Schemes Transaction Securities may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for the Creditor Schemes Transaction Securities.

(c) **Canada**

No prospectus has been filed with any securities commission or similar authority in Canada in connection with the issuance of the Creditor Schemes Transaction Securities. In addition, no securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence under applicable Canadian securities laws.

The issuance of Creditor Schemes Transaction Securities pursuant to the BLY Creditor Schemes may be exempt from the prospectus requirements under applicable Canadian securities legislation. As a consequence of this exemption, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of such Creditor Schemes Transaction Securities to be issued in connection with the BLY Creditor Schemes.

The Creditor Schemes Transaction Securities will be subject to restrictions on resale in Canada. BLY is not presently a "reporting issuer" as such term is defined under applicable Canadian securities legislation in any province or territory of Canada. Canadian investors are further advised that BLY is not required to file, and currently does not intend to file, a prospectus or similar document with any securities regulatory authority in Canada qualifying the issuance of the Creditor Schemes Transaction Securities to the public or otherwise in any province or territory of Canada. Accordingly, the Creditor Schemes Transaction Securities may be subject to

an indefinite hold period under applicable Canadian securities laws unless resales are made in accordance with applicable prospectus requirements or pursuant to an available exemption from such prospectus requirements. Canadian investors are advised to seek legal advice prior to any contemplated resale of any of the Creditor Schemes Transaction Securities.

It may be difficult for Secured Scheme Creditors and Unsecured Scheme Creditors in Canada to enforce their rights and claims arising out of Canadian provincial or territorial securities laws against officers and directors of BLY who are residents of countries other than Canada, and it may not be possible to sue BLY in a non-Canadian court for violations of Canadian securities laws.

(d) **Cayman Islands**

No offer or invitation to subscribe for the Creditor Schemes Transaction Securities may be made to the public in the Cayman Islands or from within the Cayman Islands.

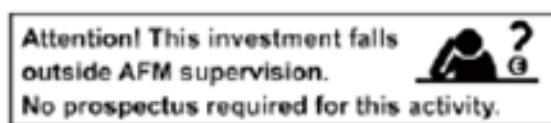
(e) **European Union (Ireland, Italy and Netherlands)**

This Explanatory Statement has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Explanatory Statement may not be made available, nor may the Creditor Schemes Transaction Securities be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Creditor Schemes Transaction Securities in any member state of the European Union is limited:

- (i) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (ii) to fewer than 150 natural or legal persons (other than qualified investors); or
- (iii) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:



(f) **Switzerland**

The Creditor Schemes Transaction Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Explanatory Statement nor any other offering material relating to the Creditor Schemes Transaction Securities constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (**FinSA**) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Explanatory Statement nor any other offering material relating to the Creditor

Schemes Transaction Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Explanatory Statement nor any other offering material relating to the BLY Creditor Schemes or the Creditor Schemes Transaction Securities have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Explanatory Statement will not be filed with, and the offer of Creditor Schemes Transaction Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This Explanatory Statement may be distributed in Switzerland only to existing Secured Scheme Creditors and Unsecured Scheme Creditors and is not for general circulation in Switzerland.

2.12 **Privacy**

The Chairperson, Ashurst, the Information Agent, the Scheme Administrators and the Scheme Companies may collect, use and disclose personal information in the process of implementing the BLY Creditor Schemes. This information may include the names, contact details, bank account details or other details of Secured Scheme Creditors and Unsecured Scheme Creditors and the names of persons appointed by Secured Scheme Creditors and Unsecured Scheme Creditors to act as proxy, corporate representative or attorney at the respective Scheme Meetings. The purposes for which this information is collected is to assist the Chairperson, Ashurst, the Information Agent, the Scheme Administrators and the Scheme Companies in the conduct of the Scheme Meetings and to enable the BLY Creditor Schemes to be implemented by the Scheme Administrators. If the BLY Creditor Schemes are approved by the Court, the Scheme Companies and the Information Agent will be required to disclose this personal information to the Scheme Administrators in implementing the BLY Creditor Schemes.

If this personal information is not collected, the Chairperson, Ashurst, the Information Agent, the Scheme Administrators and the Scheme Companies may be hindered in, or prevented from, conducting the Scheme Meetings and implementing the BLY Creditor Schemes.

Your personal information is usually disclosed to the Court, the Chairperson, Ashurst, the Information Agent, the Scheme Administrators, the Scheme Companies, third party service providers, professional advisers, ASIC, FIRB, ASX and other regulatory authorities and, in addition, where disclosure is required by law or where you have consented to the disclosure. Secured Scheme Creditors and Unsecured Scheme Creditors have the right to access personal information that has been collected about them and seek correction of such information. Secured Scheme Creditors and Unsecured Scheme Creditors should contact the Scheme Companies in the first instance about exercising that right.

BCM, BLY US and the Information Agent are located in the United States. You consent to this overseas disclosure of your personal information in participating in the BLY Creditor Schemes and in giving your consent, acknowledge that BLY, the other Schemes Companies and the Information Agent are not required to take such steps as are reasonable in the circumstances to ensure that the overseas recipient does not breach the Australian Privacy Principles under the *Privacy Act 1988* (Cth).

If you have questions regarding privacy or a complaint about how your personal information is handled, contact the Scheme Companies at the address below:

Attention: Nora Pincus
Email: nora.pincus@boartlongyear.com
Boart Longyear Limited
26 Butler Boulevard
Burbridge Business Park
Adelaide Airport,
South Australia 5950
AUSTRALIA

It is the responsibility of Secured Scheme Creditors and Unsecured Scheme Creditors who appoint a named person to act as their proxy or attorney at the Scheme Meetings to inform their proxy or attorney of the matters outlined above.

2.13 **Documents available for inspection**

Documents referred to in this Explanatory Statement that are not reproduced in the Annexures to this Explanatory Statement or have not otherwise been provided to Secured Scheme Creditors or Unsecured Scheme Creditors will be made available for inspection by Secured Scheme Creditors and Unsecured Scheme Creditors upon request.

To request access, contact the Scheme Companies at the address below:

Boart Longyear Limited
26 Butler Boulevard
Burbridge Business Park
Adelaide Airport,
Adelaide South Australia 5950
AUSTRALIA

To the extent that documents referred to in this Explanatory Statement are confidential to the Scheme Companies, other members of the Group or third parties, or if the Scheme Companies cannot legally disclose such documents, the Scheme Companies reserve the right:

- (a) not to make such documents available for inspection; or
- (b) to make only masked copies of, or extracts from, such documents available for inspection.

2.14 **Detailed disclosure relating to the Notice of EGM Meeting**

As discussed in further detail at section 8.2 of this Explanatory Statement, the implementation of both BLY Creditor Schemes is subject to the prior satisfaction of various conditions precedent. One of the conditions precedent to the BLY Creditor Schemes is that at or before 8.00 am on the Second Court Date, each of the Shareholder Resolutions are passed by the requisite majorities of BLY Shareholders.

BLY Shareholders will consider and vote on the Shareholder Resolutions, amongst other matters, at the Shareholder Meeting.

Further information relating to the Shareholder Meeting is set out in the Notice of EGM Meeting, released to the ASX on or about the date of this Explanatory Statement, a copy of which is available at "<http://www.boartlongyear.com>".

2.15 Consents and disclaimers in respect of the Explanatory Statement

The following persons have given and have not, before the date of this Explanatory Statement, withdrawn their written consent to:

- (a) be named in this Explanatory Statement in the form and context that they are named;
- (b) the inclusion of their respective reports or of statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Explanatory Statement; and
- (c) the inclusion of other statements in this Explanatory Statement which are based on, or referable to, statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as
Ashurst	Australian legal counsel to BLY
FTI Consulting	Independent Expert in respect of the BLY Creditor Schemes and the Scheme Administrators
KPMG Corporate Finance	Independent Expert in respect of the dilution of BLY Shareholdings under the BLY Creditor Schemes

Each of the above persons:

- (a) has not authorised or caused the issue of this Explanatory Statement;
- (b) does not make, or purport to make, any statement in this Explanatory Statement or any statement on which a statement in this Explanatory Statement is based, other than those statements referred to above and as consented to by that person; and
- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Explanatory Statement other than a reference to its name and the statement or report (if any) that has been included in this Explanatory Statement with the consent of that person as set out above.

2.16 Questions

If you have any questions in relation to:

- (a) the BLY Creditor Schemes;
- (b) the lodgement of TLA Proxy Forms, TLB Proxy Forms, TLA Proof of Debt Forms, TLB Proof of Debt Forms or SSN Account Holder Letters as a Secured Scheme Creditor; and/or
- (c) the lodgement of TLA Proxy Forms, TLB Proxy Forms, TLA Proof of Debt Forms, TLB Proof of Debt Forms, SSN Account Holder Letters or SUN Account Holder Letters as an Unsecured Scheme Creditor;

you are encouraged to contact the Information Agent at:

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

3. KEY DATES AND STEPS

Event	Date
Voting Entitlement Record Date	3:00 pm (Sydney) 2 August 2021
Deadline for receipt of SSN Account Holder Letters, SUN Account Holder Letters, TLA Proof of Debt Forms, TLA Proxy Forms, TLB Proof of Debt Forms and TLB Proxy Forms	4.00 pm 25 August 2021 (New York City Time)
Secured Creditors' Scheme Meeting of all Secured Scheme Creditors	10.30 am 31 August 2021 (Sydney Time)
Unsecured Creditors' Scheme Meeting of all Unsecured Scheme Creditors	11.30 am 31 August 2021 (Sydney Time)
Second Court Date	16 September 2021
Scheme Consideration Election Window	<p>Being the period on and from the date which is notified by BLY as the date being at least five (5) Business Days prior to the Scheme Effective Date in both BLY Creditor Schemes up to (but not including) the Scheme Effective Date in both BLY Creditor Schemes.</p> <p>The Scheme Companies currently anticipate that the Scheme Effective Date for both BLY Creditor Schemes will be 17 September 2021.</p>
Lodgement of Second Court Orders with ASIC	The Scheme Companies currently anticipate lodging Second Court Orders with ASIC on 17 September 2021.
Creditors' Scheme Implementation Date	Being the date notified by the Scheme Administrators pursuant to the Restructuring Implementation Deed. As at the date of this Explanatory Statement, it is anticipated that the Creditors' Scheme Implementation Date will be on or about 23 September 2021.

NOTE

All dates and times referred to in this Explanatory Statement and the documents attached to it are to times in Sydney, Australia except where otherwise stated. The dates set out in the above table are indicative only and may be subject to change. The Scheme Companies reserve the right to vary the times and dates set out above, subject to the Corporations Act and the approval of any variations by the Court or ASIC where required.

Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to take the following steps in advance of the Secured Creditors' Scheme Meeting or Unsecured Creditors' Scheme Meeting (as applicable):

(a) **Read this Explanatory Statement in full**

The Scheme Companies encourage you to take professional advice, and to consult with your professional advisers, when making any decisions in connection with the Secured Creditors' Scheme or Unsecured Creditors' Scheme as applicable to you.

(b) **Consider attending and voting at the Secured Creditors' Scheme Meeting or Unsecured Creditors' Scheme Meeting as applicable to you**

See section 12 for detailed information in relation to the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting.

4. **OVERVIEW OF EXPLANATORY STATEMENT AND BACKGROUND TO THE BLY CREDITOR SCHEMES**

4.1 **Why you are receiving this Explanatory Statement**

This Explanatory Statement contains information about the proposed BLY Creditor Schemes and is required by section 412(1) of the Corporations Act to be issued together with each Notice of Secured Creditors' Scheme Meeting issued to a Secured Scheme Creditor and each Notice of Unsecured Creditors' Scheme Meeting issued to an Unsecured Scheme Creditor.

You have been sent this Explanatory Statement because, according to the records of the Scheme Companies as at the Voting Entitlement Record Date, you are either a Secured Scheme Creditor, an Unsecured Scheme Creditor, or both.

Receipt of this Explanatory Statement does not amount to confirmation that you have a valid claim against or are owed any amount by the Scheme Companies.

For Secured Scheme Creditors

If you are a Secured Scheme Creditor as at the Voting Entitlement Record Date (irrespective of whether or not you were a Secured Scheme Creditor as at the date of this Explanatory Statement), you will be eligible to vote at the Secured Creditors' Scheme Meeting provided that:

- (a) if you are a TLA Purchaser or TLB Purchaser:
 - (i) the Information Agent receives a completed TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) from you by no later than 4.00 pm, 25 August 2021 (New York City Time); and
 - (ii) if you wish to vote by proxy, the Information Agent receives a TLA Proxy Form or TLB Proxy Form (as applicable) from you by 4.00 pm, 25 August 2021 (New York City Time); and
- (b) if you are a SSN Noteholder, the Information Agent receives a completed SSN Account Holder Letter from your Account Holder by no later than 4.00 pm, 25 August 2021 (New York City Time).

Additionally, if any Secured Scheme Creditor wishes to vote by attorney or corporate representative, such attorney or corporate representative should bring to the Secured Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

The TLA Proof of Debt Form is set out in Annexure H, the TLB Proof of Debt Form is set out in Annexure J, the TLA Proxy Form is set out in Annexure G, the TLB Proxy Form is set out in Annexure I and the SSN Account Holder Letter is set out in Annexure K of this Explanatory Statement.

Further details of the Secured Creditors' Scheme Meeting, including the procedure for voting, can be found in section 12 of this Explanatory Statement.

Please note that in the event you are a Secured Scheme Creditor as at the Voting Entitlement Record Date, you will also be an Unsecured Scheme Creditor eligible to vote in relation to the Unsecured Creditors' Scheme at the Unsecured Creditors' Scheme Meeting, subject to the Information Agent receiving a completed TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter from you or on your behalf (as applicable). Further information relating to Unsecured Scheme Creditors and the Unsecured Creditors' Scheme Meeting is set out below in this section 4.1 of this Explanatory Statement.

Secured Scheme Creditors who wish to participate in the Creditor Share Purchase Option must return a TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter (as applicable) with the relevant section titled 'Creditor Share Purchase Option' completed, to the Information Agent by no later than 4.00 pm, 25 August 2021 (New York City Time).

For Unsecured Scheme Creditors

If you are an Unsecured Scheme Creditor as at the Voting Entitlement Record Date (irrespective of whether or not you were an Unsecured Scheme Creditor as at the date of this Explanatory Statement), you will be eligible to vote at the Unsecured Creditors' Scheme Meeting provided that:

- (a) if you are a TLA Purchaser or TLB Purchaser:
 - (i) the Information Agent receives a completed TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) from you by no later than 4.00 pm, 25 August 2021 (New York City Time); and
 - (ii) if you wish to vote by proxy, the Information Agent receives a TLA Proxy Form or TLB Proxy Form (as applicable) from you by 4.00 pm, 25 August 2021 (New York City Time);
- (b) if you are a SSN Noteholder, the Information Agent receives a completed SSN Account Holder Letter from your Account Holder by no later than 4.00 pm, 25 August 2021 (New York City Time); and
- (c) if you are a SUN Noteholder, the Information Agent receives a completed SUN Account Holder Letter from your Account Holder by no later than 4.00 pm, 25 August 2021 (New York City Time).

Additionally, if any Unsecured Scheme Creditor wishes to vote by attorney or corporate representative, such attorney or corporate representative should bring to the Unsecured Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

The TLA Proof of Debt Form is set out in Annexure H, the TLB Proof of Debt Form is set out in Annexure J, the TLA Proxy Form is set out in Annexure G, the TLB Proxy Form is set out in Annexure I, the SSN Account Holder Letter is set out in Annexure K and the SUN Account Holder Letter is set out in Annexure L of this Explanatory Statement.

Further details of the Unsecured Creditors' Scheme Meeting, including the procedure for voting, can be found in section 12 of this Explanatory Statement.

Please note that TLA Purchasers, TLB Purchasers and SSN Noteholders who are Unsecured Scheme Creditors as at the Voting Entitlement Record Date will also be Secured Scheme Creditors eligible to vote in relation to the Secured Creditors' Scheme at the Secured Creditors' Scheme Meeting, subject to the Information Agent receiving a completed TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter from you or on your behalf (as applicable). Further information relating to Secured Scheme Creditors and the Secured Creditors' Scheme Meeting is set out above in this section 4.1 of this Explanatory Statement.

Unsecured Scheme Creditors who wish to participate in the Creditor Share Purchase Option must return a TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) with the relevant section titled 'Creditor Share Purchase Option' completed, to the Information Agent by no later than 4.00 pm, 25 August 2021 (New York City Time).

4.2 Summary of the scheme procedure

The proposed BLY Creditor Schemes are creditors' schemes of arrangement. A creditors' scheme of arrangement is a compromise or arrangement between a company or companies and its creditors (or any class of them) effected in accordance with Part 5.1 of the Corporations Act.

The resolution to agree to the scheme at the scheme meeting must be passed by a majority in number (more than 50%) of the scheme creditors who are present and voting at the scheme meeting (either in person or by proxy, corporate representative or attorney) being a majority whose admitted claims together amount to at least 75% of the debt owing to the scheme creditors present and voting at the scheme meeting (either in person or by proxy, corporate representative or attorney) (**Requisite Majority**). Admitted claims being the amount to which the scheme creditors' claims against the scheme proponent company are admitted by the chairperson for the purpose of voting at the scheme meeting.

If the scheme is agreed to by the Requisite Majority, in order to become effective, the scheme must then be approved by the Court at the Second Court Hearing. The Court may grant its approval subject to such alterations or conditions as it thinks fit. However, the scheme will not take any effect if any alterations the Court makes or the conditions the Court imposes change the substance of the scheme in any material respect.

If the scheme is approved by the Court, and the Second Court Orders are lodged with ASIC, then the scheme will become effective. Once all the conditions precedent (detailed in section 8.2 in respect of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme below) set out in the scheme are satisfied, the steps to implement the scheme will be undertaken.

Once the scheme becomes effective, it will be binding upon the proponent companies and all scheme creditors, including those scheme creditors that did not vote in favour of the scheme, or those that did not attend, or vote at, the scheme meeting.

It will also be binding upon the parties who under the scheme sign a deed poll as a result of them each having signed a deed poll.

If, in the opinion of the scheme administrators, it is not possible to give effect to the scheme, each of the parties bound by the scheme are required to do all things reasonably necessary to put each other party in the position it would have been in if none of the steps under the scheme had occurred.

4.3 Why are the BLY Creditor Schemes being proposed?

The Group's current capital structure exposes it to a variety of market, operational and liquidity risks. To address these risks, the Group sought to identify options available to it to make its capital structure more sustainable, including by addressing the debt maturities due to occur on 31 December 2022, the Group's high levels of debt and the Group's underlying financial performance.

The Group's high levels of debt have constrained the Group's ability to generate sufficient operating cashflows to cover interest payments and meet working capital requirements. The Group is poised through its business plans to capitalise on the natural resources industry entering an improved commodity cycle. However, the Group has been limited by its capacity to take on large contracts due to working capital shortages.

The BLY Creditor Schemes are being proposed to address the Group's over-levered balance sheet and high interest debt service costs by converting approximately US\$795 million, or approximately 85% of the Group's existing total debt and interest costs into 98.5% BLY's ordinary shares immediately after implementation of the BLY Creditor Schemes (before (1)

the issue of any Shares on the exercise of any New Warrants, Existing Warrants and Existing Options, (2) the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option, and (3) any buy-back of Shares under the Selective Buy-Back). This significant deleveraging will improve the Group's liquidity providing it with a sustainable capital structure and improved financial flexibility which is critical to supporting its operations, business plans and future growth.

4.4 **Objects and purpose of the BLY Creditor Schemes**

The Recapitalisation Transactions, which includes the BLY Creditor Schemes, have been designed by the Group to achieve a comprehensive recapitalisation of the Group. The Recapitalisation Transactions will primarily be implemented by the Secured Creditor's Scheme and the Unsecured Creditors' Scheme, together with the Restructuring Support Agreement and the Restructuring Implementation Deed. The purpose of the Recapitalisation Transactions is to provide the Group with a more sustainable capital structure and improved financial flexibility.

The Recapitalisation Transactions will achieve this by:

- (a) substantially reducing the Group's levels of debt and its interest costs;
- (b) refinancing the Existing Backstop ABL and the Incremental Finance Facility;
- (c) giving BLY Shareholders the opportunity to further invest in the Group in accordance with the Share Purchase Plan, and, if the Members' Scheme to effect the re-domiciliation (described below) is approved, giving certain BLY Shareholders at their election the ability to discontinue their investment in accordance with the terms of the Selective Buy-Back; and
- (d) giving the Secured Scheme Creditors and Unsecured Scheme Creditors the opportunity to further invest in the Group in accordance with the Creditor Share Purchase Option.

The Recapitalisation Transactions are conditional on the BLY Creditor Schemes and the Shareholder Resolutions being approved by the requisite majority of creditors or BLY Shareholders (as applicable).

The steps to implement the Recapitalisation Transactions (including the BLY Creditor Schemes) are set out in the Restructuring Implementation Deed.

In summary, the Recapitalisation Transactions comprise:

- (a) the BLY Creditor Schemes explained in and annexed to this Explanatory Statement;
- (b) the Creditor Share Purchase Option (forming part of the BLY Creditor Schemes);
- (c) the refinancing of the Existing Backstop ABL and the Incremental Finance Facility pursuant to the Exit Financing Facility;
- (d) the Share Purchase Plan; and
- (e) the Share Consolidation.

BLY is also proposing the Selective Buy-Back which is conditional on the Members' Scheme Approval, BLY Shareholders passing the relevant Shareholder Resolution and the BLY Creditor Schemes becoming Effective.

The Recapitalisation Transactions are explained in more detail in section 6 below.

The Group is also pursuing a members' scheme of arrangement under the Corporations Act concurrently with the BLY Creditor Schemes and other Recapitalisation Transactions. The BLY Creditor Schemes and other Recapitalisation Transactions are not conditional on the approval or implementation of the Members' Scheme. The aim of the Members' Scheme is to re-domicile the ultimate holding company in the Group to Canada. Consequently, while Secured Scheme Creditors and Unsecured Scheme Creditors will initially receive Shares in BLY in exchange for their debt owed by the Scheme Companies as a result of implementing the BLY Creditor Schemes, if the Members' Scheme is duly approved, those Shares in BLY will be exchanged shortly thereafter for CDIs in respect of New BLY Parent. Whether or not the Shares in BLY issued to Secured Scheme Creditors and Unsecured Scheme Creditors in connection with the BLY Creditor Schemes will be exchanged for CDIs in respect of New BLY Parent will depend on whether: (a) the requisite majority of BLY Shareholders vote in favour of the Members' Scheme at a meeting of BLY Shareholders convened by Court order to implement the re-domiciliation to be effected by the Members' Scheme; and (b) the Members' Scheme is approved by the Court. The Members' Scheme and associated re-domiciliation is explained in more detail in Section 7 below.

4.5 **Alternatives considered**

The Scheme Companies consider that the Recapitalisation Transactions, which include the BLY Creditor Schemes, will achieve the primary objectives of creating a more sustainable capital structure and increasing financial flexibility to allow the Scheme Companies to implement their business plan to take advantage of an anticipated increase in global mining activity.

The Scheme Companies are not considering, nor are they aware of any superior alternate proposals for either obtaining the necessary financing or reducing the existing debt and/or cash interest requirements of the Scheme Companies. During the course of preliminary negotiations, the Scheme Companies explored a range of potential options. The Scheme Companies' existing debt quantum and terms, as well as the respective rights of their existing creditors with respect to the Scheme Companies' assets, ultimately precluded additional loan options other than those already disclosed. The Scheme Companies consider that the only currently executable alternative to the BLY Creditor Schemes is insolvency filings, which would provide a significantly inferior outcome for the Secured Scheme Creditors, Unsecured Scheme Creditors, Shareholders of BLY and the Scheme Companies' other creditors and stakeholders.

In this regard, Ashurst, on behalf of the Scheme Companies, has engaged FTI Consulting to prepare the FTI Consulting Report which addresses, amongst other things, the expected dividends that would be respectively available to the Secured Scheme Creditors and Unsecured Scheme Creditors:

- (a) if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Corporations Act; and
- (b) if the BLY Creditor Schemes were put into effect as proposed.

Further details in relation to the FTI Consulting Report, including its conclusions, can be found in section 9 of this Explanatory Statement and a copy of the FTI Consulting Report is at Annexure C.

4.6 **Secured Scheme Creditors and Unsecured Scheme Creditors should obtain advice**

The Scheme Companies are not in a position to make an assessment of the prospects of success of any individual Secured Scheme Creditor's Claims or Unsecured Scheme Creditors' Claims, or the quantum of recovery which may be available to individual Secured Scheme Creditors or Unsecured Scheme Creditors if the BLY Creditor Schemes do not proceed.

These are matters for each Secured Scheme Creditor and Unsecured Scheme Creditor to consider.

As the legal, financial and taxation consequences of the Secured Creditors' Scheme and Unsecured Creditors' Scheme may be different for each Secured Scheme Creditor and Unsecured Scheme Creditor respectively, professional legal, financial and taxation advice should be sought in relation to the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable).

4.7 **Overview of the BLY Creditor Schemes**

(a) **The Secured Creditors' Scheme**

The principal objects and purposes of the Secured Creditors' Scheme are to fully equitise the Secured Debt which is payable by the Scheme Companies under the Term Loan A, Term Loan B and SSN Indenture and provide a release to the Scheme Companies in respect of their obligations relating to the Secured Debt under those facilities and, to the extent relevant, related securities and guarantees.

In exchange for such releases, the Secured Scheme Creditors will receive their respective proportions of the Secured Scheme Consideration (being the relevant proportion of New Common Equity), as summarised below.

The Secured Scheme Creditors will also have the option to subscribe for Shares under the Creditor Share Purchase Option at the CSPO Issue Price. The Creditor Share Purchase Option will be undertaken as an institutional placement and is intended to raise an amount up to the CSPO Cap Amount, as described in section 8.8 of this Explanatory Statement.

Section 8 of this Explanatory Statement contains detailed information on the terms of the Secured Creditors' Scheme. The Secured Creditors' Scheme itself is set out at Annexure A.

(b) **The Unsecured Creditors' Scheme**

The principal objects and purposes of the Unsecured Creditors' Scheme are to fully equitise the Unsecured Debt which is payable by the Scheme Companies under the Term Loan A, Term Loan B, SSN Indenture and SUN Indenture, and provide a release to the Scheme Companies in respect of their obligations relating to the Unsecured Debt under those facilities and, to the extent relevant, related securities and guarantees.

In exchange for such releases, the Unsecured Scheme Creditors will receive their respective proportions of the Unsecured Scheme Consideration (being the relevant portion of the New Common Equity and for those Unsecured Scheme Creditors who are also SUN Noteholders, the relevant proportion of New Warrants), as summarised below.

The Unsecured Scheme Creditors will also have the option to subscribe for Shares under the Creditor Share Purchase Option, as described in section 8.8 of this Explanatory Statement.

Section 8 of this Explanatory Statement contains detailed information on the terms of the Unsecured Creditors' Scheme. The Unsecured Creditors' Scheme itself is set out at Annexure B.

(c) **Secured Scheme Consideration and Unsecured Scheme Consideration**

As described in further detail in section 8.11 of this Explanatory Statement, if the BLY Creditor Schemes are implemented the Secured Scheme Creditors and Unsecured Scheme Creditors will be issued their pro rata share of the Secured Scheme Consideration and Unsecured Scheme Consideration (as applicable). A table showing the allocation of the New Common Equity by reference to the tranches of the Secured Debt and Unsecured Debt as at the RSA Date, and in accordance with the allocation principles summarised in section 8.3 is set out below.

Debt tranche	Percentage of New Common Equity
SSN Secured Debt	53.55%
TLA Secured Debt	15.00%
TLB Secured Debt	18.52%
Sub-total	87.07%
SSN Unsecured Debt	1.98%
SUN Debt	3.73%
TLA Unsecured Debt	3.32%
TLB Unsecured Debt	3.89%
Sub-total	12.92%

In addition, if an Unsecured Scheme Creditor is a SUN Noteholder, it will receive a pro rata share of the Total New Warrants, to be allocated in accordance with the principles set out in the Unsecured Creditors' Scheme as summarised in section 8.3 of this Explanatory Statement. The terms of the New Warrants are set out in Schedule 11 of the Unsecured Creditors' Scheme and the key terms are summarised as follows:

Summary of terms of New Warrants	
Subscription Right	<p>Each New Warrant will confer on its holder the right (but not the obligation) to subscribe for one Warrant Share, subject to any adjustment (set out below).</p> <p>A New Warrant will not confer any rights to dividends or to participate in any new issue of shares without exercising the New Warrant.</p> <p>Warrant Shares allotted and issued on the exercise of a New Warrant will rank <i>pari passu</i> in all respects (including as to dividends the entitlement to which is determined after allotment) with the then-issued shares and are subject to the Constitution.</p>

Summary of terms of New Warrants	
Exercise Price	AU\$2.79 (as adjusted in accordance with clause 6 of the New Warrant Deed Poll)
Method of Exercise	<p>Each New Warrant may be exercised at any time in the period after its issue to 5.00pm Sydney time on the date which is the 6th anniversary of the date of its issue (Exercise Period).</p> <p>Each New Warrant may be exercised at any time during the Exercise Period by delivering a duly completed Exercise Notice (accompanied, if New Warrant Certificates have been issued, by the New Warrant Certificate(s) for the New Warrants exercised), and if the New Warrant is exercised for cash, a Representation Letter, to BLY.</p>
Adjustments	<p>The terms of the New Warrants will be adjusted in the following circumstances (excluding any of the following circumstances which are triggered by the Implementation Steps set out in the Restructuring Implementation Deed):</p> <ul style="list-style-type: none"> • (pro-rata issues) the Exercise Price will be reduced in accordance with the formula in the ASX Listing Rules; • (bonus issues) the number of Warrant Shares over which New Warrants will be exercisable will be increased by the number of Warrant Shares the holder would have received if the New Warrant had been exercised before the record date of the bonus issue; • (reorganisation of capital) the rights of the holder of the Warrant (and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital; • (distributions when BLY is not listed on the ASX) if, at any time during the Exercise Period when BLY is not listed on the ASX, BLY fixes a record date for the payment of a distribution of any evidences of indebtedness, Shares or any other property of any nature whatsoever (including cash) or any options, warrants or other rights to subscribe for such property, to the holders of Shares (other than a dividend, a pro rata issue of Shares, a bonus issue of Shares or a corporate action which is a re-organisation of capital), the Exercise Price will be adjusted in accordance with a formula set out in the New Warrant Deed Poll; • (change in capital) on a change in capital, the rights of the holder of the New Warrant will be changed to reflect what the holder would have received if the New Warrant had been exercised prior to the record date for that change in capital.
Change of Control	On a change of control transaction (which includes a sale of all or substantially all of the assets of BLY but excludes a public stock merger), BLY will cancel the New Warrants and pay the holder the

Summary of terms of New Warrants	
	<p>warrant value (determined in accordance with a Black-Scholes model) in cash.</p> <p>Where the change of control transaction is a public stock merger, BLY shall procure that the acquirer or successor entity shall assume the obligations of BLY and the warrant will become exercisable into the public stock except where the market capitalisation is less than US\$500 million where the New Warrant will be cancelled and the holder will be paid the warrant value in cash unless it elects for the New Warrant to remain on foot and become exercisable over the public stock.</p>
Re-domiciliation	<p>If BLY re-domiciles, the New Warrants will confer the right (but not the obligation) to acquire the securities or other property received in place of a Warrant Share as a result of the re-domiciling.</p> <p>In this regard, Secured Scheme Creditors and Unsecured Scheme Creditors should refer to section 7 of this Explanatory Statement.</p>
Transfer	<p>Subject to certain restrictions on transfer to U.S. Persons, the New Warrants may only be transferred in lots of not less than 100,000 New Warrants (except where the transfer is to effect a transfer by a New Warrant holder of all New Warrants held by that New Warrant holder, at BLY's discretion).</p> <p>Subject to compliance with the terms of the New Warrant Deed Poll, the New Warrants are transferrable without the prior written consent of BLY.</p>

(d) **Other creditors**

Neither the Secured Creditors' Scheme nor Unsecured Creditors' Scheme will effect unsecured trade creditors of the Scheme Companies or the other Obligors, or the secured or unsecured creditors of the Scheme Companies or the other Obligors, other than the Secured Scheme Creditors and Unsecured Scheme Creditors. Except to the extent set out above (and in more detail below) in relation to the directors and officers of the Scheme Companies, it will also have no effect on employees of the Scheme Companies or the other Obligors who, subject to ordinary course changes in employment arrangements, will continue their employment.

4.8 **Identity of the Secured Scheme Creditors and Unsecured Scheme Creditors**

Secured Scheme Creditors

The Secured Scheme Creditors of each of the Scheme Companies are identical and consist of:

- (a) the TLA Purchasers, in relation to the TLA Secured Debt, as creditors of BCM as the issuer under the Term Loan A, and the Scheme Companies (excluding BCM) as guarantors under the Term Loan A.
- (b) the TLB Purchasers, in relation to the TLB Secured Debt, as creditors of BCM as the issuer under the Term Loan B, and the Scheme Companies (excluding BCM) as guarantors under the Term Loan B.

- (c) the SSN Noteholders, in relation to the SSN Secured Debt, as creditors of BLY Issuer as issuer of the SSN Indenture Notes, and the Scheme Companies (excluding BLY Issuer) as guarantors under the SSN Indenture, who are the persons with a direct or indirect beneficial interest as principal in the SSN Indenture Notes and contingent creditors of the Scheme Companies as a result of their right (in certain circumstances) under the SSN Indenture to request that the Scheme Companies issue a definitive note in respect of their interest in the SSN Indenture Notes.

The SSN Notes Registered Holder (being DTC, the registered holder of the SSN Indenture Notes) and its nominee (being Cede & Co.) are also included as Secured Scheme Creditors in order to obtain the benefit of certain provisions of the Secured Creditors' Scheme and for technical reasons. As explained in further detail below at section 12.5(c) of this Explanatory Statement however, in order to avoid double counting of interests in the SSN Indenture Notes at the Secured Creditors' Scheme Meeting, the voting procedure will be based on Cede & Co., in its capacity as nominee of DTC, appointing the Account Holders as its proxies in respect of the amount of the SSN Indenture Notes shown on its records maintained in book-entry form as being held by them as at the Voting Entitlement Record Date.

Unsecured Scheme Creditors

The Unsecured Scheme Creditors of each of the Scheme Companies are identical and consist of:

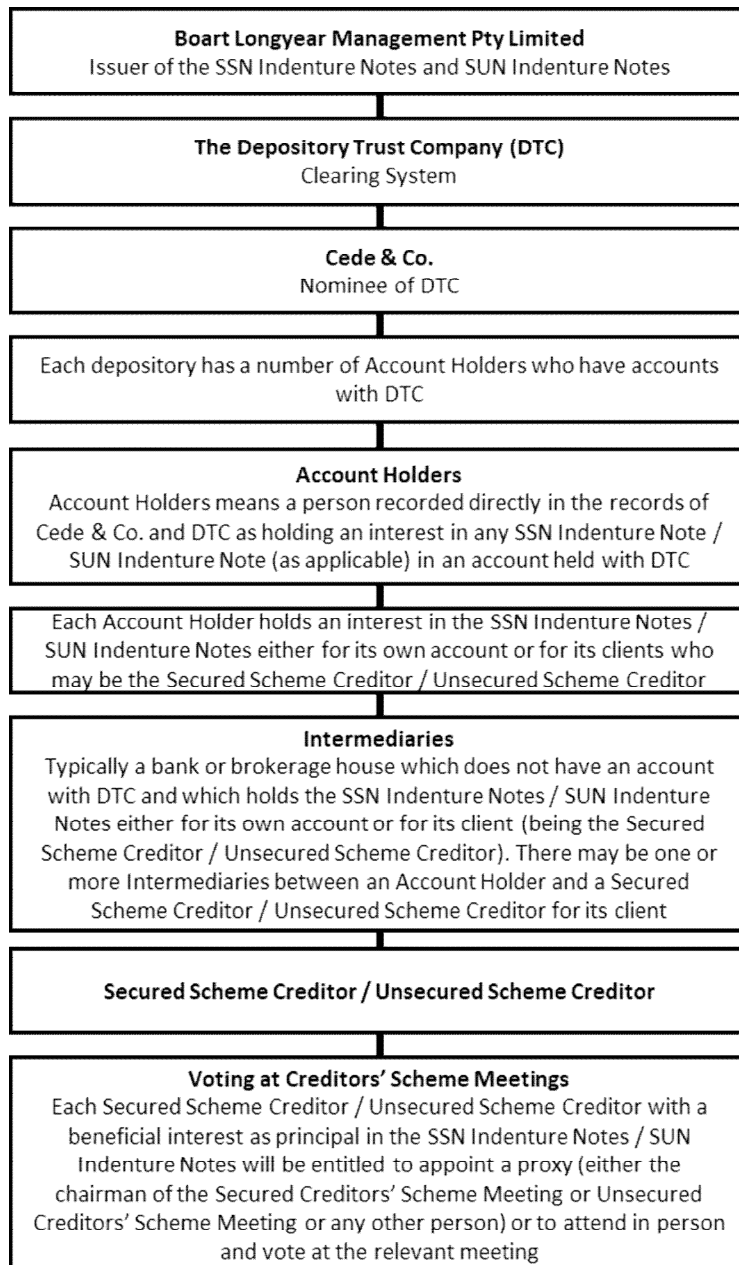
- (a) the TLA Purchasers, in relation to the TLA Unsecured Debt, as creditors of BCM as the issuer under the Term Loan A, and the Scheme Companies (excluding BCM) as guarantors under the Term Loan A.
- (b) the TLB Purchasers, in relation to the TLB Unsecured Debt, as creditors of BCM as the issuer under the Term Loan B, and the Scheme Companies (excluding BCM) as guarantors under the Term Loan B.
- (c) the SSN Noteholders, in relation to the SSN Unsecured Debt, as creditors of BLY Issuer as issuer of the SSN Indenture Notes, and the Scheme Companies (excluding BLY Issuer) as guarantors under the SSN Note Indenture, who are the persons with a direct or indirect beneficial interest as principal in the SSN Indenture Notes and contingent creditors of the Scheme Companies as a result of their right (in certain circumstances) under the SSN Indenture to request that the Scheme Companies issue a definitive note in respect of their interest in the SSN Indenture Notes.
- (d) the SUN Noteholders, in relation to the SUN Debt, as creditors of BLY Issuer as issuer of the SUN Indenture Notes, and the Scheme Companies (excluding BLY Issuer) as guarantors under the SUN Note Indenture, who are the persons with a direct or indirect beneficial interest as principal in the SUN Indenture Notes and contingent creditors of the Scheme Companies as a result of their right (in certain circumstances) under the SUN Indenture to request that the Scheme Companies issue a definitive note in respect of their interest in the SUN Indenture Notes.

The SSN Notes Registered Holder and SUN Notes Registered Holder (being DTC, the registered holder of the SSN Indenture Notes and the SUN Indenture Notes) and its nominee (being Cede & Co.) are also included as Unsecured Scheme Creditors in order to obtain the benefit of certain provisions of the Unsecured Creditors' Scheme and for technical reasons. As explained in further detail below at section 12.5(c) of this Explanatory Statement however, in order to avoid double counting of interests in the SSN Indenture Notes and the SUN Indenture Notes at the Unsecured Creditors' Scheme Meeting, the voting procedure will be based on Cede & Co., in its capacity as nominee of DTC, appointing the Account Holders as its proxies in respect of:

- (a) the amount of the SSN Indenture Notes shown on its records maintained in book-entry form as being held by them as at the Voting Entitlement Record Date; and
- (b) the amount of the SUN Indenture Notes shown on its records maintained in book-entry form as being held by them as at the Voting Entitlement Record Date.

4.9 Holding structure of the SSN Indenture Notes and SUN Indenture Notes

Set out below a diagram representing the ownership structure of the SSN Indenture Notes and SUN Indenture Notes.



4.10 Secured Debt

The Scheme Companies' financial arrangements with the Secured Scheme Creditors proposed to be affected by the Secured Creditors' Scheme are the Term Loan A, the Term

Loan B and the SSN Indenture. The amounts to be compromised under the Term Loan A, Term Loan B and SSN Indenture by the Secured Creditors' Scheme comprise the following:

- (a) amounts owing under the Term Loan A and Term Loan B up to the relevant Secured Debt Caps. Financial accommodation incurred under the Term Loan A and Term Loan B is secured, however amounts owing under the Term Loan A and Term Loan B are subject to respective Secured Debt Caps. The result of this is:
 - (i) under the Term Loan A, only:
 - (A) principal and accruing interest of up to US\$85,000,000; plus
 - (B) a pro rata portion of the "Secured Term Loan Interest Amount" (as defined in the SUN Indenture), which is currently calculated to be US\$0; and
 - (ii) under the Term Loan B:
 - (A) principal and accruing interest of up to US\$105,000,000; plus
 - (B) a pro rata portion of the "Secured Term Loan Interest Amount" (as defined in the SUN Indenture), which is currently calculated to be US\$0,

have the benefit of security. The remaining principal and accrued interest is unsecured, and is therefore Unsecured Debt.

- (b) amounts owing under the SSN Indenture, other than the SSN Applicable Premium, as described further below. The amounts owing under the SSN Indenture with the benefit of security include the principal and accreted interest.

As at 12 May 2021 (being the RSA Date), the Scheme Companies owed the following amounts to the Secured Scheme Creditors under the Creditors' Schemes Finance Documents:

- (a) **(Term Loan A)** The amount of US\$85,000,000, being principal and accreted/accrued interest up to the limit of the relevant Secured Debt Cap owing to the TLA Purchasers under the existing terms of the Term Loan A.
- (b) **(Term Loan B)** The amount of US\$105,000,000, being principal and accreted/accrued interest up to the limit of the relevant Secured Debt Cap owing to the TLB Purchasers under the existing terms of the Term Loan B.
- (c) **(SSN Indenture)** The amount of US\$303,567,773.87, being principal plus accreted interest comprising US\$302,909,840.93 (owing to core SSN Noteholders who consented to the amendment to the SSN Indenture in June 2020) and US\$657,932.94 (owing to stub SSN Noteholders who did not consent to the amendment to the SSN Indenture in June 2020).

A list which provides the names of all known Secured Scheme Creditors as at 12 May 2021 and the Secured Debt owed to those Secured Scheme Creditors is set out in Annexure M to this Explanatory Statement.

The relevant details of all known Secured Scheme Creditors as required by paragraphs 8201(c), (d), and (e) of Schedule 8 of the Corporations Regulations is set out at Annexure M to this Explanatory Statement.

4.11 Unsecured Debt

The Scheme Companies' financial arrangements with the Unsecured Scheme Creditors proposed to be affected by the Unsecured Creditors' Scheme are the Term Loan A, the Term Loan B, the SSN Indenture and the SUN Indenture. The amounts to be compromised under the Term Loan A, Term Loan B, SSN Indenture and SUN Indenture by the Unsecured Creditors' Scheme comprise the following:

- (a) amounts owing under the Term Loan A and Term Loan B exceeding the relevant Secured Debt Caps.
- (b) SSN Applicable Premium owing in respect of the SSN Indenture. Pursuant to the SSN Indenture, a premium (the SSN Applicable Premium) is payable on redemption of the SSN Indenture Notes, following acceleration of the SSN Indenture Notes and following various asset sales specified under the SSN Indenture. The SSN Applicable Premium does not have the benefit of security.
- (c) all amounts owing under the SUN Indenture. It is also noted that the SUN Indenture was amended on 31 August 2017 (under the "Fourth Supplemental Indenture" to the SUN Indenture) to introduce a subordination provision which stipulates that the payment of all obligations owing under the SUN Indenture is contractually subordinated to the prior payment in full of the SUN Designated Senior Indebtedness. SUN Designated Senior Indebtedness is defined in the SUN Indenture as all amounts owing under the Term Loan A, Term Loan B and SSN Indenture. Consequently, all claims under the SUN Indenture are contractually subordinated to all claims under each of the Term Loan A, Term Loan B and SSN Indenture, including claims that are unsecured.

As at 12 May 2021 (being the RSA Date), the Scheme Companies owed the following amounts to Unsecured Scheme Creditors under the Creditors' Schemes Finance Documents:

- (a) **(Term Loan A)** Unsecured accreted/capitalised interest on the principal beyond the Secured Debt Cap in the amount of US\$75,336,984.87 owing to the TLA Purchasers under the existing terms of the Term Loan A.
- (b) **(Term Loan B)** Unsecured accreted/capitalised interest on the principal beyond the Secured Debt Cap in the amount of US\$88,285,306.60 owing to the TLB Purchasers under the existing terms of the Term Loan B.
- (c) **(SSN Indenture)** SSN Applicable Premium in the amount of US\$44,924,586.44 owing under the terms of the SSN Indenture, comprising US\$44,830,656.46 (owing to core SSN Noteholders who consented to the amendment to the SSN Indenture in June 2020) and US\$93,929.98 (owing to stub SSN Noteholders who did not consent to the amendment to the SSN Indenture in June 2020).
- (d) **(SUN Indenture)** Principal and interest of US\$93,944,522.71 owing under the terms of the SUN Indenture.

A list which provides the names of all known Unsecured Scheme Creditors as at 12 May 2021 and the Unsecured Debt owed to those Unsecured Scheme Creditors is set out in Annexure N to this Explanatory Statement.

The relevant details of all known Unsecured Scheme Creditors as required by paragraphs 8201(c), (d), and (e) of Schedule 8 of the Corporations Regulations is set out at Annexure N to this Explanatory Statement.

4.12 Scheme Creditors who are known to be a guaranteed creditor

Each Secured Scheme Creditor and each Unsecured Scheme Creditor is considered to be a "guaranteed creditor" of the Scheme Companies for the purposes of Schedule 8, clause 8201(d) of the Corporations Regulations (being a creditor that is the beneficiary of a guarantee given by an Obligor pursuant to the Term Loan A, Term Loan B, SSN Indenture and/or SUN Indenture (as applicable)).

4.13 Scheme Creditors who are known to be an internal creditor

There are no Secured Scheme Creditors or Unsecured Scheme Creditors who are considered to be an "internal creditor" for the purposes of Schedule 8, clause 8201(e) of the Corporations Regulations.

5. TRANSACTIONS LEADING UP TO THE BLY CREDITOR SCHEMES

5.1 Restructuring Support Agreement

On 12 May 2021, the Scheme Companies, the Obligors, certain of the Secured Scheme Creditors (who held, as at 12 May 2021, in aggregate, 99.8% of the Secured Debt) and certain of the Unsecured Scheme Creditors (who held, as at 12 May 2021, in aggregate, 98.1% of the Unsecured Debt) entered into the Restructuring Support Agreement. Pursuant to the terms of the Restructuring Support Agreement, the Scheme Companies and the "Supporting Creditors" (being those creditors who agreed to the Restructuring Support Agreement) agree, amongst other things, to support, facilitate, implement and consummate the RSA Transactions, provided that nothing in the Restructuring Support Agreement requires any party to it to vote in favour of the Members' Scheme.

The Restructuring Support Agreement is appended to an ASX announcement released by BLY on 13 May 2021 entitled "Boart Longyear Completes Strategic Review; Reaches Agreement with Majority of Lenders for Proposed Substantial Recapitalisation", which is extracted in Annexure O of this Explanatory Statement.

On or about 27 July 2021, the parties entered into an amendment to the Restructuring Support Agreement (the **First Amendment to the RSA**). In general terms, the purpose of the First Amendment clarified the commercial understanding between the parties as to the meaning of Total New Warrants as that concept is defined in this Explanatory Statement and the Unsecured Creditors' Scheme.

Section 5.2 of this Explanatory Statement below summarises the terms in the Restructuring Support Agreement related to exclusivity obligations. Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to review and consider the terms of the Restructuring Support Agreement in full.

5.2 Exclusivity

BLY and the Group are required to comply with certain exclusivity obligations under the Restructuring Support Agreement, for the duration of an exclusivity period (commencing at the time of the execution of the RSA by all parties to it, and ending on the earlier of the completion of the RSA Transactions, the termination of the RSA, or the RSA Longstop Date), including:

- (a) **No shop restriction** – the Group must ensure that neither it, nor any of its related entities, directly or indirectly solicit, invite, encourage or initiate any enquiries, proposals, negotiations or discussions (or communicate any intention to do any of these things) with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal or potential Competing Proposal;
- (b) **Notification** – if any member of the Group is approached in relation to a Competing Proposal or proposes to provide any material non-public information concerning the Group or its business or operations to a third party to enable that party to make a Competing Proposal, BLY shall:
 - (i) provide the Supporting Creditors with details of the Competing Proposal including the name of the party proposing the Competing Proposal and the nature of the Competing Proposal;
 - (ii) provide the Supporting Creditors the proposed terms of the Competing Proposal, except to the extent the BLY Board determines, after receiving specific legal advice from BLY's Counsel, that providing such information would reasonably be expected to constitute a breach of:

- (A) the BLY's board fiduciary or statutory duties under applicable law;
 - (B) its contractual obligations, provided that BLY shall not enter any contractual obligations that would restrict providing such information;
 - (iii) to the extent that the Initial Supporting Creditors have not previously been provided with the information, provide notice that such information has been provided to a third party and, if requested, provide any Supporting Creditor that so requests with a complete copy of that information promptly following such request;
- (c) **Matching right** - if BLY determines that a Competing Proposal is a Superior Proposal, BLY will provide the Supporting Creditors with details of the Competing Proposal that is a Superior Proposal. In this situation, the Restructuring Support Agreement stipulates that the Supporting Creditors will have the right, but not the obligation, until the expiration of five Business Days of receiving the information to make one or more offers to BLY in writing to amend the terms of the Restructuring Support Agreement or propose any other transaction (a **Counterproposal**).

If the Supporting Creditors make a Counterproposal, then the BLY Board must review the Counterproposal in good faith to determine whether it is more favourable to BLY than the Superior Proposal. If the BLY Board determines that the Counterproposal is more favourable to BLY, BLY Shareholders and unsecured creditors of BLY than the Superior Proposal, and is capable of being implemented in a reasonable time, then:

- (i) if the Supporting Creditors contemplate an amendment to the Restructuring Support Agreement, the parties will enter into an amending deed amending the Restructuring Support Agreement reflecting the Counterproposal;
- (ii) if the Counterproposal contemplates any other transaction, BLY will make an announcement as soon as practicable recommending the Counterproposal, in the absence of a Superior Proposal and, if required, subject to the conclusions of an independent expert, and the parties will pursue implementation of the Counterproposal in good faith with their best endeavours; and
- (iii) BLY will effect a change of recommendation of the BLY Board in relation to the transaction and will not authorise or enter into any letter of intention, memorandum of understanding, recapitalisation agreement or other agreement, arrangement or understanding relating to (or consummate) such former Superior Proposal.

As at the date of this Explanatory Statement, no Counterproposal has been made to BLY.

5.3 **Reimbursement of costs and expenses of CBP and the Ad Hoc Group**

BLY agrees to pay in cash, on a monthly basis for the period from the date of execution of the Restructuring Support Agreement and ending on the earlier of the completion of the RSA Transactions, the termination of the RSA, or the RSA Longstop Date, all reasonable costs and out of pocket expenses relating to the RSA Transactions incurred by CBP and the Ad Hoc Group.

5.4 **Incremental Finance Facility**

On 11 May 2021, BLY Issuer entered into a binding commitment letter with various lenders affiliated with each of Corre, FPA and Nut Tree regarding the provision of debt financing in an aggregate maximum amount of US\$50,000,000. BLY announced that it had entered into

the binding commitment letter on the ASX on 13 May 2021. Each of Corre, FPA and Nut Tree is a member of the Ad Hoc Group.

On 1 June 2021, BLY Issuer and BLY, amongst other members of the Group, and affiliates of each of Corre, FPA and Nut Tree, amongst others, entered into a Term Loan Securities Agreement (**Incremental Finance Facility Agreement**) and related finance documents as contemplated by the binding commitment letter.

The purpose of the Incremental Finance Facility Agreement is to provide working capital and other general corporate purposes which will support the Group whilst the Recapitalisation Transactions are being pursued and then implemented. As at 30 June 2021, US\$30,000,000 had been drawn under the Incremental Finance Facility Agreement.

The material terms of the Incremental Finance Facility Agreement are as follows:

- (a) (**commitment**) a commitment of US\$50,000,000 in aggregate principal amount (noting that US\$30,000,000 of that amount had already been drawn under the facility as at 30 June 2021);
- (b) (**collateral**) the obligations under the Incremental Finance Facility Agreement are guaranteed by the same obligors as the Existing Backstop ABL and is secured by the same collateral as the Existing Backstop ABL;
- (c) (**priority**) the Incremental Finance Facility is:
 - (i) regarding working capital assets subject to the security, second ranking (pari passu with the Existing Backstop ABL); and
 - (ii) regarding non-working capital assets subject to the security, first ranking (pari passu with the small number of SSN Noteholders that did not consent to the Incremental Finance Facility Agreement being entered into);
- (d) (**maturity date**) 31 December 2021;
- (e) (**interest rate**) interest will accrue on drawings under the Incremental Finance Facility Agreement at the rate of either:
 - (i) to the extent BLY Issuer elects to pay in cash, 10% per annum payable monthly in arrears; or
 - (ii) otherwise, 11% per annum with such amounts being capitalised and added to the principal monthly in arrears; and
- (f) (**commitment fee**) an undrawn commitment fee accrues on the undrawn commitment under the Incremental Finance Facility Agreement at the rate of 1.50% per annum and is either:
 - (i) to the extent BLY Issuer elects to pay in cash, payable monthly in arrears; or
 - (ii) otherwise, will be capitalised and added to the principal monthly in arrears; and
- (g) (**other terms and conditions**) the Incremental Finance Facility Agreement includes other customary terms and conditions, including customary covenants and events of default that are substantially the same as those in the Existing Backstop ABL.

As discussed at section 6.1 of this Explanatory Statement, prior to settlement of the other Recapitalisation Transactions, the Group expects to enter into the Exit Financing Facility in

order to fully refinance the Incremental Finance Facility (as well as the Existing Backstop ABL).

5.5 Amendments to Existing PNC ABL

On 12 May 2021, BLY Issuer and PNC Bank, National Association, as lender and agent, entered into the Seventh Amendment to the Amended and Restated Revolving Credit and Security Agreement to amend the Existing PNC ABL¹ (**2021 Existing PNC ABL Amendment**).

The 2021 Existing PNC ABL Amendment came into effect on 12 May 2021, which amended the Existing PNC ABL to:

- (a) **(liquidity)** (i) allow full access to the US\$75,000,000 revolver and release the US\$10,000,000 block to the current revolver limit and (ii) increase borrowing base (a) unbilled accounts receivable sub-limit from US\$10,000,000 to US\$15,000,000, (b) accounts receivable advance rate from 85% to 90% until the earliest of implementation under the RSA, completion of an Exit Financing Facility or 30 September 2021 and (c) cap on advance rate on inventory to 65%;
- (b) **(maturity)** subject to certain conditions including that an Exit Financing Facility has been made available to the Group on or before 30 September 2021, extend the term to 12 May 2025; and
- (c) **(Incremental Finance Facility Agreement)** make necessary amendments to permit the Group to incur indebtedness under the Incremental Finance Facility Agreement and to incur indebtedness under an Exit Financing Facility.

5.6 Amendments to Creditors' Schemes Finance Documents

On 1 June 2021, relevant members of the Group and relevant finance parties entered into documentation to amend each of the Existing Backstop ABL, Term Loan A, Term Loan B, SSN Indenture and SUN Indenture.

The relevant finance parties also consented to amendments to each intercreditor agreement in respect of the Existing PNC ABL, the Existing Backstop ABL, the Term Loan A, the Term Loan B and the SSN Indenture.

The material changes effected under the amendments to those documents are as follows:

- (a) to permit the Group to incur indebtedness under the Incremental Finance Facility Agreement;
- (b) to provide the finance parties under the Incremental Finance Facility Agreement with the benefit of security interests in the relevant collateral; and
- (c) to place the finance parties under the Incremental Finance Facility Agreement in the position in the Group's intercreditor and collateral waterfall arrangements to reflect the commercial intention reached between the Group and its creditors.

¹ The Existing PNC ABL is an asset-based revolving bank credit facility agreement that was originally entered into in 2015 between, amongst others, BLY Issuer as borrower, other members of the Group and PNC Bank, National Association (as lender and agent) and which has been amended from time to time including around the time of the 2017 Schemes.

5.7 **Existing Backstop ABL**

On 23 July 2017, BLY Issuer, as issuer, other members of the Group, Ascribe and relevant affiliates of Centerbridge and Ares, entered into the Existing Backstop ABL.

The Existing Backstop ABL is a term loan securities agreement that was originally entered into around the time of the 2017 Schemes and which has subsequently been amended from time to time.

As at 30 June 2021, the Group owed US\$62,371,569.65 (being principal and interest) pursuant to the Existing Backstop ABL.

As discussed at section 6.1 of this Explanatory Statement, prior to settlement of the other Recapitalisation Transactions, the Group expects to enter into the Exit Financing Facility in order to fully refinance the Existing Backstop ABL (as well as the Incremental Finance Facility) on the Creditors' Scheme Implementation Date.

6. **RECAPITALISATION TRANSACTIONS AND OTHER PROPOSED ARRANGEMENTS RELATED TO THE RESTRUCTURING**

Set out below is a summary of the Recapitalisation Transactions being proposed by BLY and other members of the Group. There are six elements to the Recapitalisation Transactions. These are the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (which both include the Creditor Share Purchase Option), the Exit Financing Facility, the Share Purchase Plan and the Share Consolidation. Each of these elements (with the exception of the Share Consolidation) will be implemented in accordance with the terms of the Restructuring Implementation Deed. BLY is also proposing the Selective Buy-Back.

Each Recapitalisation Transaction, other than the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditor Share Purchase Option, is explained in more detail in this section below. The Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditor Share Purchase Option are explained in more detail below in section 8 of this Explanatory Statement.

6.1 **Exit Financing Facility**

Prior to settlement of the other Recapitalisation Transactions, the Group expects to secure a long term new money investment to fully refinance the Existing Backstop ABL and the Incremental Finance Facility, in the form of the Exit Financing Facility.

In this regard, on 19 July 2021 (Salt Lake City) BLY entered into a binding commitment letter in relation to the Exit Financing Facility with Blue Torch Capital LP and HPS Investment Partners, LLC.

As at the date of this Explanatory Statement, it is proposed that BLY US Holdings Inc. (or another Group member) as borrower, and other Group members as guarantors, will enter into the Exit Financing Facility to fully refinance the Existing Backstop ABL and the Incremental Finance Facility. The Exit Financing Facility will take the form of a five year term loan facility with a total commitment of US\$115,000,000.

The Exit Financing Facility will be drawn to refinance the Existing Backstop ABL and the Incremental Finance Facility on the Creditors' Scheme Implementation Date (as illustrated below at section 6.6).

It is a condition precedent to both BLY Creditor Schemes that as at 8.00 am on the Second Court Date, the credit agreement for the Exit Financing Facility has been duly executed and delivered by all parties to it and all conditions precedent to the initial drawing under the Exit Financing Facility have been satisfied, other than any conditions relating to:

- (a) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme becoming Effective;
- (b) no amendments, waivers or modifications to the RSA, RID, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme having been made since 8:00 am on the Second Court Date, other than any amendments, waivers or modifications that are not materially adverse to the interests of the Exit Financiers unless the prior written consent of the Exit Financiers was obtained (such consent not to be unreasonably withheld or delayed);
- (c) each Implementation Step in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) and 8(b) (*Step 2 (Releases)*) of the RID having been completed in accordance with their terms; and
- (d) any conditions which the Exit Financier has agreed to waive or defer.

The Exit Financing² is discussed at section 4.2.1 of the FTI Consulting Report, which comments that, amongst other things:

- (a) FTI Consulting's enquiries indicate the process being coordinated by the Group³ and its advisors to secure the Exit Financing (as detailed at section 4.2.1 of the FTI Consulting Report) is appropriate and advanced with reasonable prospects of success;
- (b) as a consequence, FTI Consulting consider the assumption that the Exit Financing will occur (and hence the Incremental Finance Facility and Existing Backstop ABL will not become due and payable on 31 December 2021) to be reasonable;
- (c) FTI Consulting note the successful completion of this refinance, or securing an alternative solution such as a maturity extension, is a critical component of the Group maintaining solvency after the implementation of the BLY Creditor Schemes. As the Incremental Finance Facility matures on 31 December 2021, and is expected to be drawn to \$50.0 million, in circumstances where the Exit Financing is not completed, or a suitable alternative is not secured, FTI Consulting's opinion on the solvency of the Group⁴ is withdrawn as the Group will not be in a position to meet this payment along with other debts falling due on or around this date; and
- (d) this being said, on the basis of the status of the Exit Financing as at the date of the FTI Consulting Report and the fact that securing the Exit Financing is a condition precedent to the BLY Creditor Schemes being effectuated, FTI Consulting confirm their opinion that if the BLY Creditor Schemes are effectuated (thereby confirming that the Exit Financing has been secured), the Group will be solvent after implementation of the BLY Creditor Schemes.

Further details in relation to the FTI Consulting Report, including its conclusions, can be found in section 9 of this Explanatory Statement and a copy of the FTI Consulting Report is at Annexure C.

6.2 Share Purchase Plan

BLY proposes to offer Eligible SPP Shareholders the opportunity to subscribe for up to AU\$30,000 worth of Shares at the issue price (being AU\$2.48 per Share) (calculated on a post Share Consolidation basis), subject to an aggregate cap of US\$2.5 million. Shares issued under the Share Purchase Plan will be issued on the Creditors' Scheme Implementation Date (and after the Share Consolidation).

The Share Purchase Plan will allow Eligible SPP Shareholders the opportunity to increase their equity holding in BLY following dilution of their existing shareholding. This will allow certain Eligible SPP Shareholders, whose shareholding will be diluted under the BLY Creditor Schemes, the opportunity to maintain a more meaningful equity interest in BLY following completion of the BLY Creditor Schemes.

To the extent that the Share Purchase Plan is oversubscribed (i.e. where Eligible SPP Shareholders subscribe for an aggregate amount of Shares that exceeds the US\$2.5 million aggregate cap), participating Eligible SPP Shareholders' subscriptions will be scaled back (such that they will acquire a pro-rata percentage of the US\$2.5 million cap, calculated by

² The FTI Consulting Report defines 'Exit Financing' to mean '... a new money loan to fully refinance the Backstop ABL and the Incremental Financing'.

³ The FTI Consulting Report defines 'Group' to mean 'Boart Longyear Limited and subsidiaries'.

⁴ Discussed at section 9 of this Explanatory Statement.

reference to the amount that the participating Eligible SPP Shareholder elected to take up under the Share Purchase Plan).

To the extent that the Share Purchase Plan is undersubscribed (i.e. where Eligible SPP Shareholders do not subscribe for an aggregate amount of Shares that equals or exceeds the US\$2.5 million aggregate cap), the remaining Shares not subscribed for under the Share Purchase Plan (the **SPP Shortfall Amount**) will be offered under, and in accordance with the terms of, the Creditor Share Purchase Option (described further at section 8.8 below).

Proceeds received by BLY under the Share Purchase Plan will be applied to pay down the outstanding balance under the Existing PNC ABL.

The Share Purchase Plan will only be implemented if approved by BLY Shareholders at the Shareholder Meeting of BLY Shareholders.

6.3 **Selective Buy-Back**

Provided that BLY Shareholders approve the Selective Buy-Back at the Shareholder Meeting, BLY Shareholders approve the Members' Scheme at the Members' Scheme meeting and the BLY Creditor Schemes becoming Effective, Eligible SBB Shareholders who (amongst other eligibility criteria hold parcels of Shares valued at less than AU\$3,000) will have the opportunity, under certain conditions, to offer their Shares to BLY as part of a Selective Buy-Back (at a price of AU\$2.48 per Share). BLY may in its absolute discretion determine whether to accept (in whole or in part) or reject an offer from Eligible SBB Shareholders to sell Shares under the Selective Buy-Back and the maximum amount that BLY will spend to buy-back Shares under the Selective Buy-Back will be up to an aggregate of US\$500,000.

The Selective Buy-Back is intended to give Eligible SBB Shareholders who hold small parcels of Shares the opportunity to exercise a cash-out option in lieu of retaining their existing Shares, noting that existing Shareholders will be significantly diluted following implementation of the BLY Creditor Schemes and may not wish to hold CDIs in the re-domiciled Canadian company. The Selective Buy-Back will provide Eligible SBB Shareholders with the opportunity to sell their Shares without incurring brokerage fees and other expenses.

If Eligible SBB Shareholders choose to participate in the Selective Buy-Back, the total number of Shares on issue will decrease, thereby increasing the percentage of total Shares held by the remaining BLY Shareholders. The Selective Buy-Back will be implemented on the Creditors' Scheme Implementation Date, but after the other Recapitalisation Transactions have been implemented.

The Selective Buy-Back is conditional on the Members' Scheme Approval, BLY Shareholders passing the relevant Shareholder Resolution and the BLY Creditor Schemes becoming Effective.

6.4 **Share Consolidation**

As part of the Recapitalisation Transactions, BLY is proposing that prior to the issue of Shares under the BLY Creditor Schemes, the Share Purchase Plan and the Creditor Share Purchase Option (and completion of the purchase by BLY of any Shares under the Selective Buy-Back), the Shares be consolidated through the consolidation of every 20 fully paid ordinary Shares into 1 fully paid ordinary Share.

The Share Consolidation is proposed to occur prior (rather than subsequent) to implementation of the BLY Creditor Schemes so that all securities issued under the Recapitalisation Transactions are issued on a post-Share Consolidation basis. The effective date of the Share Consolidation will be the date of approval by the Court of the BLY Creditor Schemes.

6.5 Pricing for Share Purchase Plan, Selective Buy-Back and Creditor Share Purchase Option

A summary of the pricing for the Share Purchase Plan, Selective Buy-Back and Creditor Share Purchase Option is set out below:

BLY Shareholder transactions	Pricing (on a post-Share Consolidation basis)
Issue of new Shares under Share Purchase Plan	AU\$2.48 per Share
Buy back of existing Shares under Selective Buy-Back	AU\$2.48 per Share
Scheme Creditor transactions	Pricing (on a post-Share Consolidation basis)
Issue of new shares under Creditor Share Purchase Option (as discussed in further detail at sections 8.8 and 12.12 of this Explanatory Statement)	AU\$2.48 per Share

6.6 Effect of Recapitalisation Transactions

The tables below illustrate the change in BLY's debt levels as a result of the Recapitalisation Transactions (including how the Exit Financing Facility will be used to refinance the Existing Backstop ABL and the Incremental Finance Facility):

Sources and uses of funds raised from Recapitalisation Transactions:

Sources	US\$ million
Share Purchase Plan ⁵	2.5
Creditor Share Purchase Option ⁶	2.5
Exit Financing Facility ⁷	115.0
Total Sources:	120.0

⁵ Assumes that the Share Purchase Plan and the Creditor Share Purchase Option are fully subscribed. If less than US\$5 million is raised by BLY from the Share Purchase Plan and Creditor Share Purchase Option, the amount of the Existing PNC ABL that is repaid will lower.

⁶ Assumes that the Share Purchase Plan and the Creditor Share Purchase Option are fully subscribed. If less than US\$5 million is raised by BLY from the Share Purchase Plan and Creditor Share Purchase Option, the amount of the Existing PNC ABL that is repaid will lower.

⁷ BLY entered into a binding commitment letter in relation to the Exit Financing Facility on 19 July 2021 (Salt Lake City) 2021; the commitment amount is shown for illustrative purposes only.

Uses	US\$ million
Refinance Existing Backstop ABL ⁸	62.4
Refinance Incremental Finance Facility ⁹	50.3
Repayment of portion of the Existing PNC ABL ¹⁰	5.0
Partial payment of transaction costs and interest costs ¹¹	2.3
Total Uses:	120.0

Pro-forma Debt:

US\$ million	30 June 2021		
	Pre-Recapitalisation	Transaction Adjustments	Post-Recapitalisation
Existing PNC ABL ¹²	6.0	(5.0)	1.0 ¹³
Existing Backstop ABL ¹⁴	62.4	(62.4)	-
Incremental Finance Facility ¹⁵	50.3	(50.3)	-
Exit Financing Facility ¹⁶	-	115.0	115.0
Term Loan A ¹⁷	162.1	(162.1)	-
Term Loan B ¹⁸	195.4	(195.4)	-

⁸ Includes accrued interest as at 30 June 2021.

⁹ Represents commitment amount for illustrative purposes and actual accrued interest as at 30 June 2021.

¹⁰ Assumes that the Share Purchase Plan and the Creditor Share Purchase Option are fully subscribed. If less than US\$5 million is raised by BLY from the Share Purchase Plan and Creditor Share Purchase Option, the amount of the Existing PNC ABL that is repaid will lower.

¹¹ Remaining available balance under the Exit Financing Facility to be applied to pay any further accrued interest on the Existing Backstop ABL, the Incremental Finance Facility and some transaction costs.

¹² (1) Includes accrued interest as at 30 June 2021.

(2) Assumes that the Share Purchase Plan and the Creditor Share Purchase Option are fully subscribed. If less than \$5 million is raised by BLY from the Share Purchase Plan and Creditor Share Purchase Option, the amount of the Existing PNC ABL that is repaid will lower.

¹³ This demonstrates the adjusted balance of the Existing PNC ABL as at 30 June 2021 for illustrative purposes only, and will vary.

¹⁴ Includes accrued interest as at 30 June 2021.

¹⁵ Represents commitment amount for illustrative purposes and actual accrued interest as at 30 June 2021.

¹⁶ BLY entered into a binding commitment letter in relation to the Exit Financing Facility on 19 July 2021 (Salt Lake City) 2021; the commitment amount is shown for illustrative purposes only.

¹⁷ Includes accrued interest as at 30 June 2021.

¹⁸ Includes accrued interest as at 30 June 2021.

US\$ million	30 June 2021		
	Pre-Recapitalisation	Transaction Adjustments	Post-Recapitalisation
SSN Indenture Notes ¹⁹	354.9	(354.9)	-
SUN Indenture Notes ²⁰	94.1	(94.1)	-
Lease liability (IFRS-16)	39.3	(0.0)	39.3
Total Debt:	964.5	(809.2)	155.3

6.7 Indictive timeline for implementing the Recapitalisation Transactions and other proposed arrangements related to the Restructuring

Below is a high level indicative timeline for implementing the Recapitalisation Transactions and the Selective Buy-Back and other proposed arrangements related to the Restructuring as outlined above. More detail on the nature of the Implementation Steps, including how the BLY Creditor Schemes will be implemented is set out in section 8.10.

Day on a T – basis (all approximations and in Business Days)	Action
T - 8	Restructuring Implementation Deed executed and delivered by all parties to it, save for the Scheme Administrators, Secured Scheme Creditors, Unsecured Scheme Creditors, Agent, TLB Collateral Agent, SSN Trustee and SUN Trustee, who will execute the RID following the BLY Creditor Schemes becoming effective.
T - 5 BLY Creditor Schemes - Second Court Hearing	Second Court Hearing for BLY Creditor Schemes. Effective date of the Share Consolidation.
T - 4 Scheme Effective Date for BLY Creditor Schemes	<p>Court orders approving the BLY Creditor Schemes are lodged with ASIC.</p> <p>The BLY Creditor Schemes take effect (assuming that all conditions precedent in the BLY Creditor Schemes have been satisfied). Secured Scheme Creditors and Unsecured Scheme Creditors as at this date are bound by the Secured Creditors' Scheme and Unsecured Creditors' Scheme respectively.</p> <p>Last day of trading in pre-consolidation Shares.</p> <p>Restructuring Implementation Deed is fully executed by the Scheme Administrators, Scheme Administrators on behalf of Secured Scheme Creditors and Unsecured Scheme Creditors, Agent, TLB Collateral Agent, SSN</p>

¹⁹ Includes accrued interest and SSN applicable premium as at 30 June 2021.

²⁰ Includes accrued interest as at 30 June 2021.

Day on a T – basis (all approximations and in Business Days)	Action
	<p>Trustee and SUN Trustee. The Restructuring Implementation Deed becomes effective.</p> <p>After the Restructuring Implementation Deed is effective, BLY will announce the proposed Creditors' Scheme Implementation Date of the BLY Creditor Schemes.</p> <p>Allocation Confirmation of the Creditor Share Purchase Plan provided to Participating SUN Noteholders and the Other CSPO Participants by the Information Agent.</p>
T - 2	The record date for the Share Consolidation.
T - 1	<p>The BLY share register is updated for the implementation of the Share Consolidation and holding statements are dispatched to BLY Shareholders reflecting the change in the number of securities and BLY notifies ASX that this has occurred.</p> <p>Deadline for the Participating SUN Noteholders and the Other CSPO Participants to pay their subscription amount pursuant to their Allocation Confirmation to Link Market Services, BLY's share registry.</p>
<p>T</p> <p>Creditors' Scheme Implementation Date for BLY Creditor Schemes</p> <p>Issue date for Share Purchase Plan and Creditor Share Purchase Option, completion of Selective Buy-Back, and funding under Exit Financing</p>	<p>On the Creditors' Scheme Implementation Date, the following will occur in this order:</p> <ol style="list-style-type: none"> 1. The BLY Creditor Schemes will be implemented and Secured Scheme Creditors and Unsecured Scheme Creditors will be issued Shares and, in respect of SUN Noteholders, New Warrants. 2. The releases given by the Secured Scheme Creditors and Unsecured Scheme Creditors in the BLY Creditor Schemes will take effect. 3. Funding will occur under the Exit Financing Facility, repaying the amounts outstanding under the Incremental Finance Facility and Existing Backstop ABL. 4. Shares will be issued to Eligible SPP Shareholders in accordance with the Share Purchase Plan. 5. Shares will be issued to the participants under the Creditor Share Purchase Option. 6. Provided the Selective Buy-Back is approved by BLY Shareholders at the Shareholder Meeting, the Members' Scheme is approved by BLY Shareholders and the BLY Creditor Schemes become Effective, the Selective Buy-Back is completed, the Shares of the Eligible SBB Shareholders bought back by BLY are cancelled and consideration under the Selective Buy-Back is paid.

Day on a T – basis (all approximations and in Business Days)	Action
	7. The share register of BLY is settled.

6.8 Governance Matters

As announced to ASX on 13 May 2021, under the terms of the RSA, BLY has agreed that the initial and subsequent post-Recapitalisation Transaction composition of the BLY Board will consist of 9 directors, including at least two Australian resident directors, and include:

- (a) the Chief Executive Officer;
- (b) 5 directors nominated by Centerbridge; and
- (c) 3 directors nominated by the Ad Hoc Group.

The above nomination rights contemplated by the RSA will be further documented through the entry into the CBP Director Nomination Agreement and AHG Director Nomination Agreements pursuant to which BLY will grant to Centerbridge and the Ad Hoc Group respectively the right to nominate persons for appointment to the BLY Board.

The CBP Director Nomination Agreement and AHG Director Nomination Agreements will provide that as part of the implementation of the Members' Scheme if approved, BLY agrees to use reasonable endeavours to procure that any successor entity admitted to the official list of the ASX, which will be New BLY Parent, will enter into agreements with Centerbridge and the Ad Hoc Group on substantially equivalent terms. The alternative director nomination agreements to be entered into will be governed by Canadian law and the rights of Centerbridge and the Ad Hoc Group to appoint directors under Canadian law will differ to those under Australian law.

The CBP Director Nomination Agreement and AHG Director Nomination Agreements will replace previous director appointment rights under the following director nomination agreements:

- (a) the director nomination agreement between BLY and Ascribe II Investments LLC dated 8 May 2017;
- (b) the director nomination agreement between BLY, CCP II Dutch Acquisition – ND2 B.V. and CCP Credit SC II Dutch Acquisition – ND B.V. dated 5 May 2017 (as amended on 6 June 2017); and
- (c) the director nomination agreement between BLY and Ares Management LLC on behalf of Ares Corporate Opportunities Fund IV, L.P. and its affiliates dated 8 May 2017.

A summary of Centerbridge and the Ad Hoc Group's rights to appoint directors under the CBP Director Nomination Agreement where the BLY Board comprises nine directors and AHG Director Nomination Agreements is set out in the following table.

	CBP	Ad Hoc Group
Percentage shareholding in Retained Shares in BLY or	Number of directors who can be nominated under	Number of directors who can be nominated under the AHG

	CBP	Ad Hoc Group
New BLY Parent (as applicable):	CBP Director Nomination Agreement	Director Nomination Agreements
40% or more	5	3
35.00% or more but less than 40.00%	4	3
30.00% or more but less than 35.00%	3	3
20.00% or more but less than 30.00%	2	2
10.00% or more but less than 20.00%	1	1
Less than 10%	0	0

In the event that the BLY Board increases in size from nine to ten directors at any time (excluding alternate directors) pursuant to BLY's Constitution, and provided that increase was not caused by an act of the Centerbridge Board Nominees, Centerbridge or an associate of Centerbridge, so long as Centerbridge holds, in aggregate, Retained Shares which represent 40% or more of the issued Shares in BLY, Centerbridge will have the right to nominate six directors for appointment to the BLY Board.

The nomination rights afforded to CBP under the CBP Director Nomination Agreement and the Ad Hoc Group under the AHG Director Nomination Agreements mean that the ongoing composition of the BLY Board does not comply with Recommendation 2.1 of the ASX Corporate Governance Council's recommendations in relation to board independence. Under Recommendation 2.1, ASX considers that the board of a listed entity should maintain a nomination committee which has at least three members, with a majority of whom are independent directors and is chaired by an independent director. The operation of the director appointment rights under the CBP Director Nomination Agreement and the AHG Director Nomination Agreements will negate the need for BLY to maintain such a nomination committee. However, the BLY Board will continue to be governed by the Board Charter dated as at 26 November 2019.

All existing Directors, other than Mr Olsen, the Chief Executive Officer, intend to resign from the BLY Board with effect from implementation of the BLY Creditor Schemes when the Centerbridge nominee directors are appointed to the BLY Board and Ad Hoc Group nominee directors are appointed to the BLY Board in accordance with the CBP Director Nomination Agreement and AHG Director Nomination Agreements.

If the Members' Scheme is implemented, the New BLY Parent will be subject to Canadian law governed director nomination agreements which will be substantially on the same terms as the CBP Director Nomination Agreement and AHG Director Nomination Agreements, subject to any limitation to CBP or the AHG's rights under the relevant agreement as required by local law or practice. Consequently, the appointment rights as set out in the table above will still be available to CBP and the AHG in respect of the board of the New BLY

Parent. Accordingly, the board of directors of the New BLY Parent will also not comply with Recommendation 2.1 (as detailed above), which remains relevant as CDIs in respect of New BLY Parent will be listed on ASX. The board of the New BLY Parent will also be governed by its own board charter.

The board of the New BLY Parent will comprise a maximum of nine directors pursuant to New BLY Parent's articles and by-laws.

If the Members' Scheme is implemented, then it is expected that the same members of the BLY Board will become the directors of the New BLY Parent.

6.9 BLY Creditor Schemes recognition in United States

Chapter 15 of the U.S. Bankruptcy Code provides for the recognition of foreign proceedings in the United States.

Pursuant to the terms of the Restructuring Support Agreement, BLY must use reasonable efforts to obtain recognition of the Creditors' Schemes Proceeding and the BLY Creditor Schemes in the United States via the Chapter 15 Proceeding.

BLY intends to commence the Chapter 15 Proceeding in order to obtain a Chapter 15 Order.

A Chapter 15 Order will, amongst other things:

- (a) give full force and effect as to persons and properties located within the United States to the BLY Creditor Schemes (including the Second Court Orders);
- (b) ensure that all of the Secured Scheme Creditors and Unsecured Scheme Creditors affected by the BLY Creditor Schemes are treated consistently, whether in Australia or the United States; and
- (c) except as otherwise permitted by the BLY Creditor Schemes, protect the Scheme Companies and their property from any lawsuits within the territorial jurisdiction of the United States from those who are bound by the terms of the BLY Creditor Schemes.

6.10 Dual-listing

Subject to the implementation of the Members' Scheme, BLY will remain listed on the ASX through New BLY Parent and also expects New BLY Parent will pursue a dual listing of its shares in North America at a later date.

7. MEMBERS' SCHEME FOR THE RE-DOMICILIATION

7.1 Summary of the Members' Scheme

As announced to ASX on 13 May 2021, under the RSA, BLY agreed to pursue a re-domiciliation of its corporate and tax domicile to Canada using a scheme of arrangement with BLY's Shareholders (**Members' Scheme**). A members' scheme of arrangement is a compromise or arrangement between a company and its members (or any class of them) effected in accordance with Part 5.1 of the Corporations Act. Under the proposed Members' Scheme, BLY will become a wholly owned subsidiary of a new entity incorporated in Canada (**New BLY Parent**).

The anticipated advantages of the Members' Scheme for BLY and the Group include, amongst other things:

- potential for improved access to capital;
- greater organisational efficiency;
- better alignment of post-recapitalisation capital structure with revenue sources;
- aligning shareholder base and management with a familiar jurisdiction;
- retention of ASX listing and familiarity with local exchange;
- comparable shareholder protection; and
- reduced cost of insurance

The process for BLY and the BLY Shareholders to enter into the Members' Scheme is similar to the process for the BLY Creditor Schemes.

BLY must first approach the Court for orders that a meeting of BLY's Shareholders be held to vote on the proposed Members' Scheme. BLY asked the Court to make such orders at the same time it asked for orders that the Scheme Meetings be held. On 29 July 2021, the Court made orders that the meeting of BLY's Shareholders to consider and vote on the Members' Scheme be held on 8 September 2021.

In order for the Members' Scheme to be entered into the BLY Shareholders must vote for the resolution to approve the Members' Scheme by the requisite majority, being:

- (a) a 50% majority in number of Shareholders present and voting at the members' scheme meeting in person, by proxy, by attorney or by a corporate representative; and
- (b) at least 75% of the total number of votes cast by all BLY Shareholders at the members' scheme meeting,

(together, the **Members' Scheme Approval**).

If the Members' Scheme Approval is not obtained at the meeting of BLY Shareholders, then BLY will not approach the Court for orders approving the Members' Scheme, and it will not come into effect. As noted below, the approval of the Members' Scheme is not necessary for the BLY Creditor Schemes to come into effect and be implemented in accordance with their terms and the Restructuring Implementation Deed.

Alternatively, if the Members' Scheme Approval is obtained at the meeting of BLY Shareholders, then BLY may approach the Court seeking orders to approve the Members'

Scheme. The anticipated date of the Court hearing to approve the Members' Scheme is 3 Business Days after the Creditors' Scheme Implementation Date.

If the Members' Scheme is approved by the Court, subject to satisfaction of certain conditions precedent such as lodging the Court order approving the Members' Scheme with ASIC, the Members' Scheme will come into effect and be implemented in accordance with its terms and the terms of the Restructuring Implementation Deed.

The principal object and purpose of implementing the Members' Scheme if approved is that all BLY Shareholders as at the Members' Scheme Record Date under the Members' Scheme will be bound to transfer their Shares in BLY to New BLY Parent, in exchange for New BLY Parent transferring to those people (except for those who are Ineligible Foreign Shareholders) an equivalent number of CHESS Depository Interests (**CDI**) in respect of New BLY Parent, which, subject to the admission to the Official List of ASX of New BLY Parent and quotation by ASX of the New BLY Parent Shares (represented by New BLY Parent CDIs), will be able to be traded on ASX.

Shares in companies that are domiciled in certain overseas jurisdictions (including Canada) are unable to be traded on ASX using CHESS. CDIs are able to be traded on ASX using CHESS and are therefore used to facilitate the trading of such shares on ASX. A CDI is a unit of beneficial ownership in a share in the underlying company (in this case, New BLY Parent).

Each New BLY Parent CDI received by Shareholders of BLY will be a unit of beneficial ownership in a New BLY Parent share. All New BLY Parent CDIs will be registered in the name of CHESS Depository Nominees Pty Limited in accordance with the ASX Settlement Operating Rules (**Operating Rules**). As explained above, this is required to enable New BLY Parent shares to be recorded and transferred on ASX.

A New BLY Parent CDI has the same economic benefits (such as dividends, bonus issues, and rights issues) as a New BLY Parent share, and substantially the same voting rights. Trading in a New BLY Parent share is not substantially different in commercial effect from trading in Shares in BLY (or other CHESS approved securities).

Ineligible Foreign Shareholders

For the purposes of the Members' Scheme, a BLY Shareholder will be deemed to be an Ineligible Foreign Shareholder if:

- (a) their address as shown in the BLY share register (as at the Members' Scheme Record Date) is in any jurisdiction other than Australia, New Zealand, Switzerland, Hong Kong, Spain, Luxembourg, the Netherlands, Ireland, Italy, Bermuda, the Cayman Islands, Canada or the United States of America; or
- (b) BLY considers it would be unlawful for New BLY Parent to issue New BLY Parent CDIs in accordance with the laws of the jurisdiction in which the BLY Shareholder is located.

Ineligible Foreign Shareholders will not receive New BLY Parent CDIs and instead will receive the net proceeds of the sale of the New BLY Parent CDIs to which they would otherwise have been entitled.

No inter-conditionality

The Secured Creditors' Scheme and Unsecured Creditors' Scheme and the other Recapitalisation Transactions are not conditional on the implementation of the Members' Scheme. Consequently, if the Members' Scheme Approval is not obtained, or the Court does not approve the Members' Scheme, the Secured Creditors' Scheme and Unsecured

Creditors' Scheme and the other Recapitalisation Transactions will proceed if separately approved and if the conditions to those actions are satisfied or waived. Whereas the Selective Buy-Back is conditional upon the Members' Scheme Approval, the Shareholder Resolutions being passed by the BLY Shareholders and the BLY Creditor Schemes becoming Effective.

Assumption Deed Poll

It is a condition precedent to the Members' Scheme that New BLY Parent execute the Assumption Deed Poll in favour of the holders of the New Warrants, Existing Warrants, the holders of Existing Options and the Participants pursuant to which it has agreed to assume the obligations of BLY under these instruments from the Members' Scheme Implementation Date.

7.2 Why is the Members' Scheme relevant to Secured Scheme Creditors and Unsecured Scheme Creditors?

Whether or not the Members' Scheme is implemented affects the nature of the ultimate consideration to be delivered to the Secured Scheme Creditors and Unsecured Scheme Creditors. Under the terms of the Restructuring Implementation Deed, the BLY Creditor Schemes will be fully implemented before the Members' Scheme is implemented. This means that, in summary, Secured Scheme Creditors and Unsecured Scheme Creditors will have received New Common Equity (being Shares in BLY) and, if applicable, New Warrants in exchange for releasing their Secured Debt or Unsecured Debt (as applicable) at the time when the Members' Scheme is implemented.

As the Secured Scheme Creditors and Unsecured Scheme Creditors will be BLY Shareholders at the time when the Members' Scheme is implemented, they will be bound by its terms to transfer their Shares in BLY to New BLY Parent in exchange for being issued with an equivalent number of New BLY Parent CDIs.

The BLY Creditor Schemes, including the effects of the Members' Scheme on Secured Scheme Creditors and Unsecured Scheme Creditors, are explained in more detail in Section 8 below.

7.3 Risks associated with the Members' Scheme

BLY and BLY Shareholders are already subject to a number of risks, including those described in sections 7.3(a) and 7.3(b) below.

If the Members' Scheme is implemented, New BLY Parent and holders of New BLY Parent CDIs will be subject to these existing risks. In addition to these existing risks, there are other risks associated with the Members' Scheme as well as additional risks associated with an investment in New BLY Parent. Some of these additional risks are set out below in Section 7.3(c). These Sections do not provide an exhaustive list of these additional risks to which New BLY Parent could be exposed, nor all the risks of the Members' Scheme, but only those risks which the Directors are aware of and consider material.

(a) Risks associated with the Members' Scheme

- (i) The re-domiciliation effected by the Members' Scheme may fail to realise all of the anticipated advantages for New BLY Parent and the Group, either in a timely manner or at all. Some of the potential advantages of the Members' Scheme may not be achieved as a result of circumstances outside the control of BLY or New BLY Parent.
- (ii) The exact value of the New BLY Parent CDIs is not certain. Under the terms of the Members' Scheme, BLY Shareholders (other than Ineligible Foreign

Shareholders) will receive one New BLY Parent CDI for each Share they hold at the Members' Scheme Record Date. The exact value of the New BLY Parent CDIs that would be realised by a holder of a New BLY Parent CDI will be dependent on the price at which New BLY Parent CDIs trade after the Members' Scheme Implementation Date.

(b) **Existing risks applying to BLY**

BLY is currently exposed to certain risks in operating its business that will also be faced by New BLY Parent and the Group following the re-domiciliation effected by the Members' Scheme. These risks include the following:

- (i) **(Market risk)** BLY's operating results, financial condition and ability to achieve shareholder returns are linked to underlying market demand for drilling services and drilling products. Demand for drilling services and products depends in significant part upon the level of mineral exploration, production and development activities conducted by mining companies, particularly with respect to gold, copper and other base metals. There have been significant declines in BLY's financial performance as a result of the global contraction in exploration and development spending in the commodities sector, and the subsequent impact on mining customers. Mineral exploration, production and development activities remain uncertain and could remain at depressed levels for an extended period of time or decline further, resulting in adverse effects on BLY's operating results, liquidity and financial condition.
- (ii) **(Operational risk)** The majority of BLY's drilling contracts are either short-term or may be cancelled upon short notice by BLY customers and portions of BLY's products backlog may be subject to cancellation.
- (iii) **(Tax risk)**

BLY's unsettled assessments with the Canada Revenue Agency (**CRA**) will, if upheld, result in federal and provincial tax liabilities (including interest) of up to CAD\$35 million. The outcome and timing of any resolution of the Canadian reassessments are unknown. Interest will continue to accrue on all disputed and unpaid amounts until they are paid, or, alternatively, until the disputes are resolved in BLY's favour.

BLY has also recorded a tax provision related to the CRA's audits of the 2010 through 2017 tax years. The provision reflects the uncertainties regarding the outcome of those audits. While BLY believes it is appropriately reserved in respect of the CRA tax disputes, the resolution of those disputes on terms substantially as assessed by the CRA could be material to BLY's financial position or results of operations.

BLY is also under audit by the ATO. The resolution of potential assessments by the ATO may adversely affect BLY's liquidity.

- (iv) **(Government and regulatory risk)** Changes in, or failure to comply with, the laws, regulations, policies or conditions of any jurisdiction in which BLY conducts business could have a material adverse effect on BLY's financial condition, liquidity, results of operations and cash flows. BLY's operations are subject to numerous laws, regulations and guidelines (including anti-bribery, tax, health and safety, and environmental regulations) that could result in material liabilities or increases in BLY's operating costs or lead to the decline in the demand for BLY's services or products.

(c) **Additional risks to New BLY Parent as a result of the re-domiciliation**

- (i) **(Loss of demand and liquidity)** As a result of the Members' Scheme, BLY will re-domicile to Canada and will become a subsidiary of a new parent Canadian company. The re-domicile may lead to a potential loss of demand for New BLY Parent CDIs from Australian investors. There may be a potential reduction in liquidity of New BLY Parent Shares when traded on ASX in the form of CDIs.
- (ii) **(Changes to tax environment)** This section provides a general summary of certain Australian tax implications for BLY as a result of the Members' Scheme. The following comments are made on the basis that after the Members' Scheme completes BLY remains an Australian tax resident company.

The main Australian tax implication of the Members' Scheme on BLY relates to its ability to recoup prior year tax losses. BLY and its Australian subsidiaries have carried forward tax losses as at 31 December 2020. If available, these losses will continue to be used to offset against assessable income derived by BLY going forward.

In broad terms, carry forward tax losses must satisfy the continuity of ownership test (**COT**) or failing that, the similar business test (**SBT**) or the same business test (together known as the "continuity of business test" or **CBT**), depending on the year the losses were generated, prior to recoupment. Broadly, the COT requires BLY to have maintained more than 50% of the same ultimate beneficial owners from the start of each loss year and at each test time until the end of the income year in which the loss is sought to be recouped (certain concessions are available for listed companies that reduce the number of applicable testing points and limit the extent of tracing required through to ultimate beneficial owners). Failing the COT, BLY would be required to satisfy the CBT going forward which broadly would require it to carry on a similar or the same business during a recoupment year as it did immediately before the COT was failed.

The Members' Scheme, or transfers of Shares following the implementation of the Members' Scheme, may cause BLY to fail the COT such that BLY must satisfy the CBT going forward in order to recoup any of BLY's carried forward tax losses that are not otherwise limited. Although BLY believes it will satisfy the SBT, it cannot be guaranteed with certainty. BLY will continue to monitor these tests going forward.

Further, while BLY has not identified any other specific tax risks associated with the re-domiciliation, there may be unexpected tax risks associated with the change in jurisdiction from Australia to a North American jurisdiction.

7.4 **Detailed disclosure relating to the Members' Scheme**

Further information relating to the Members' Scheme is set out in the Members' Scheme Explanatory Statement, released to the ASX on or about the date of this Explanatory Statement, a copy of which is available at "<http://www.boartlongyear.com>".

8. THE BLY CREDITOR SCHEMES EXPLAINED

This section 8 contains detailed information on the terms of the proposed BLY Creditor Schemes and the effect they will have on Secured Scheme Creditors and Unsecured Scheme Creditors.

As indicated by the relevant sub-headings, certain subsections relate to both Secured Scheme Creditors *and* Unsecured Scheme Creditors generally, whilst others relate specifically to either Secured Scheme Creditors *or* Unsecured Scheme Creditors.

8.1 Overview of the outcome of the BLY Creditor Schemes

The principal object and purpose of the BLY Creditor Schemes is to deleverage the Group by releasing all liabilities and obligations in respect of the Secured Debt and Unsecured Debt in exchange for the Secured Scheme Creditors and Unsecured Scheme Creditors receiving their respective proportions of the Secured Scheme Consideration and Unsecured Scheme Consideration (as applicable).

The anticipated outcome for the Scheme Companies and the Secured Scheme Creditors following implementation of the Secured Creditors' Scheme is that all of the Secured Debt will be reduced to nil, and the Secured Scheme Creditors will be issued approximately 87.07% of the New Common Equity.

The anticipated outcome for the Scheme Companies and the Unsecured Scheme Creditors following implementation of the Unsecured Creditors' Scheme is that all of the total Unsecured Debt will be reduced to nil, and the Unsecured Scheme Creditors will be issued approximately 12.93% of the New Common Equity and SUN Noteholders will receive all of the New Warrants.

Immediately following implementation of the BLY Creditor Schemes, the Secured Scheme Creditors and Unsecured Scheme Creditors will together hold 98.5% of the total number of Shares in BLY, and the SUN Noteholders will be issued New Warrants to purchase Shares. However, the Secured Scheme Creditors and Unsecured Scheme Creditors should be aware that the proportion of the total number of Shares held by them is subject to further dilution immediately after the BLY Creditor Schemes have been implemented, including as a result of the implementation of the Share Purchase Plan and Creditor Share Purchase Option, and as any New Warrants, Existing Warrants or Existing Options are exercised by the relevant holders of those instruments. In addition, if the Members' Scheme is approved then on implementation of the Members' Scheme, the relevant Shares in BLY held by the Secured Scheme Creditors and Unsecured Scheme Creditors will be exchanged for New BLY Parent CDIs and the New Warrants will be assumed by New BLY Parent.

8.2 Steps prior to the BLY Creditor Schemes becoming effective

The implementation of both BLY Creditor Schemes is subject to the prior satisfaction of various conditions precedent. The conditions precedent are the same for each BLY Creditor Scheme, other than the condition precedent in the Unsecured Creditors' Scheme relating to the Secured Creditors' Scheme becoming effective and vice versa in the Secured Creditors' Scheme. The conditions precedent are listed in clause 3.1 of the Secured Creditors' Scheme and in clause 3.1 of the Unsecured Creditors' Scheme.

A summary of the conditions precedent to the BLY Creditor Schemes being implemented is set out below:

(a) **FATA - CBP**

At or before 8.00 am on the Second Court Date, either:

- (i) The Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any CBP Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed CBP Acquisitions**) and such approval is not subject to any conditions other than:
 - (A) the Standard Tax Conditions; or
 - (B) any other condition which is acceptable to each CBP Member that is subject of it acting reasonably; or
- (ii) following notice of the Proposed CBP Acquisitions having been given by CBP to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired.

(b) **FATA - AHG**

At or before 8.00 am on the Second Court Date, either:

- (i) The Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any AHG Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed AHG Acquisitions**) and such approval is not subject to any conditions other than:
 - (A) the Standard Tax Conditions; or
 - (B) any other condition which is acceptable to each AHG Member that is the subject of it acting reasonably; or
- (ii) following notice of the Proposed AHG Acquisitions having been given by AHG to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired.

(c) **Shareholder approval**

At or before 8.00 am on the Second Court Date, each of the Shareholder Resolutions are passed by the requisite majorities of BLY Shareholders.

(d) **ASX Approval**

At or before 8.00 am on the Second Court Date, ASX provides written confirmation that the terms of the New Warrants are appropriate and equitable for the purposes of ASX Listing Rule 6.1 or otherwise waives the requirement for the New Warrants to comply with ASX Listing Rule 6.1.

(e) **Director Nomination Agreements**

At or before 8.00 am on the Second Court Date, each Director Nomination Agreement has been executed by the parties to that Director Nomination Agreement.

(f) **Deeds Poll**

As at 8.00 am on the Second Court Date:

- (i) the Secured Scheme Administrators Deed Poll;
- (ii) the Unsecured Scheme Administrators Deed Poll; and
- (iii) the Obligors Deed Polls;

have been executed, continue to benefit the beneficiaries named in those Deeds Poll in accordance with their terms and have not been terminated.

(g) **Undertakings**

As at 8.00 am on the Second Court Date, the Undertakings have been executed by the Agents, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee and continue to benefit the beneficiaries named in those Undertakings in accordance with their terms and have not been terminated.

(h) **Exit Financing Facility**

As at 8.00 am on the Second Court Date, the credit agreement for the Exit Financing Facility has been duly executed and delivered by all parties to it and all conditions precedent to the initial drawing under the Exit Financing Facility have been satisfied, other than any conditions relating to:

- (i) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme becoming Effective;
- (ii) no amendments, waivers or modifications to the RSA, RID, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme having been made since 8:00 am on the Second Court Date, other than any amendments, waivers or modifications that are not materially adverse to the interests of the Exit Financiers unless the prior written consent of the Exit Financiers was obtained (such consent not to be unreasonably withheld or delayed);
- (iii) each Implementation Step in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) and 8(b) (*Step 2 (Releases)*) of the RID having been completed in accordance with their terms; and
- (iv) any conditions which the Exit Financier has agreed to waive or defer.

(i) **Regulatory Approvals**

As at 8.00 am on the Second Court Date, any approvals or consents, which are not otherwise described in clause 3.1 of the Secured Creditors' Scheme and/or clause 3.1 of the Unsecured Creditors' Scheme, but which are required by law or by any Government Agency to have been obtained by the Scheme Companies to implement the Secured Creditors' Scheme or the Unsecured Creditors' Scheme, have been obtained on an unconditional basis and remain in full force and effect.

(j) **Restructuring Support Agreement**

As at 8.00 am on the Second Court Date, the RSA has not been terminated in accordance with its terms and each of the conditions precedent in clause 5.1 (*Conditions*) of the RSA (other than condition 10 (*Court approval*) and condition 17

(*Exit Financing*)) have either been satisfied or waived in accordance with the terms of the RSA.

(k) **Restructuring Implementation Deed**

As at 8.00 am on the Second Court Date, the RID has been duly executed and delivered by all parties to the RID, save for each party to that document relying on authorities or instructions given under, or in connection with, the Unsecured Creditors' Scheme or Secured Creditors' Scheme.

(l) **Court approval**

The Court makes the Second Court Orders, including with such alterations or conditions required by the Court under section 411(6) of the Corporations Act and the alterations or conditions (if any) satisfy at least one of the following:

- (i) they do not change the substance of the relevant BLY Creditor Scheme in any material respect or impose unduly onerous obligations on any of the parties, acting reasonably; or
- (ii) they have the approval of at least 75% of the Secured Scheme Creditors or Unsecured Scheme Creditors (as applicable) who voted at the Secured Creditors' Scheme Meeting or Unsecured Creditors' Scheme Meeting (as applicable), and each Obligor (as applicable).

Section 411(6) of the Corporations Act allows the Court to approve the BLY Creditor Schemes with various alterations and variations.

(m) **Effective**

The Second Court Orders in respect of both BLY Creditor Schemes coming into effect.

Section 411(10) provides that the Court order approving the BLY Creditor Schemes does not have any effect until an official copy of the order is lodged with ASIC, and upon being so lodged, the order takes effect, or is taken to have taken effect, on and from the date of lodgement or such earlier date as the Court determines and specifies in order to approve the BLY Creditor Schemes.

8.3 **BLY Creditor Scheme Consideration**

Consideration under the Secured Creditors' Scheme

Pursuant to the Secured Creditors' Scheme, on the Creditors' Scheme Implementation Date, each Secured Scheme Creditor will be entitled (subject to section 8.4 below in relation to SSN Noteholders) to its Secured Scheme Consideration in accordance with the following allocation principles set out in the Secured Creditors' Scheme:

- (a) **(Secured TLA Purchaser)** Each Secured Scheme Creditor that is a TLA Purchaser shall be entitled to receive its applicable share of TLA Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLA Secured Debt held by the relevant TLA Purchaser bears to the aggregate outstanding amount of TLA Secured Debt held by all such TLA Purchasers in each case, as at the Voting Entitlement Record Date.

TLA Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLA Secured RSA Date Debt (being the amount of US\$85,000,000.00) bears to the

aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

- (b) **(Secured TLB Purchaser)** Each Secured Scheme Creditor that is a TLB Purchaser shall be entitled to receive its applicable share of TLB Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLB Secured Debt held by the relevant TLB Purchaser bears to the aggregate outstanding amount of TLB Secured Debt held by all such TLB Purchasers in each case, as at the Voting Entitlement Record Date.

TLB Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLB Secured RSA Date Debt (being the amount of US\$105,000,000.00) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

- (c) **(Secured SSN Noteholder)** Each Secured Scheme Creditor that is a SSN Noteholder shall be entitled to receive its applicable share of SSN Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of SSN Secured Debt held by the relevant SSN Noteholder bears to the aggregate outstanding amount of SSN Secured Debt held by all such SSN Noteholders in each case, as at the Voting Entitlement Record Date.

SSN Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of SSN Secured RSA Date Debt (being the amount of US\$303,567,773.87) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

Consideration under the Unsecured Creditors' Scheme

Pursuant to the Unsecured Creditors' Scheme, on the Creditors' Scheme Implementation Date, each Unsecured Scheme Creditor will be entitled (subject to section 8.4 below in relation to SSN Noteholders and SUN Noteholders) to its Unsecured Scheme Consideration in accordance with the following allocation principles set out in the Unsecured Creditors' Scheme:

- (a) **(Unsecured TLA Purchaser)** Each Unsecured Scheme Creditor that is a TLA Purchaser shall be entitled to receive its applicable share of TLA Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLA Unsecured Debt held by the relevant TLA Purchaser bears to the aggregate outstanding amount of TLA Unsecured Debt held by all such TLA Purchasers in each case, as at the Voting Entitlement Record Date.

TLA Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLA Unsecured RSA Date Debt (being the amount of US\$18,834,246.22) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

- (b) **(Unsecured TLB Purchaser)** Each Unsecured Scheme Creditor that is a TLB Purchaser shall be entitled to receive its applicable share of TLB Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLB Unsecured Debt held by the relevant TLB Purchaser bears

to the aggregate outstanding amount of TLB Unsecured Debt held by all such TLB Purchasers in each case, as at the Voting Entitlement Record Date.

TLB Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLB Unsecured RSA Date Debt (being the amount of US\$22,071,326.65) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

- (c) **(Unsecured SSN Noteholder)** Each Unsecured Scheme Creditor that is a SSN Noteholder shall be entitled to receive its applicable share of SSN Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of SSN Unsecured Debt held by the relevant SSN Noteholder bears to the aggregate outstanding amount of SSN Unsecured Debt held by all such SSN Noteholders in each case, as at the Voting Entitlement Record Date.

SSN Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of SSN Unsecured RSA Date Debt (being the amount of US\$11,231,146.61) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

- (d) **(SUN Noteholder)** Each Unsecured Scheme Creditor that is a SUN Noteholder shall be entitled to receive its applicable share of:

- (i) the SUN Equity Entitlement; and
- (ii) the Total New Warrants,

which shall be allocated pro rata by reference to the proportion that the outstanding amount of SUN Debt held by the relevant SUN Noteholder bears to the aggregate outstanding amount of SUN Debt held by all such SUN Noteholders as at the Voting Entitlement Record Date.

SUN Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SUN Noteholders pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 22.5% of the outstanding amount of SUN RSA Date Debt (being the amount of US\$21,137,517.61) bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

The precise allocation of the Secured Scheme Consideration and the Unsecured Scheme Consideration will be set out in the Allocations Spreadsheet, being a spreadsheet prepared by BLY as the allocations spreadsheet for the purpose of the BLY Creditor Schemes and other relevant Recapitalisation Transactions which sets out the relevant entitlements to the Creditor Schemes Transaction Securities issued under the applicable Restructuring Document and distributed in accordance with the Implementation Steps.

A Secured Scheme Creditor or Unsecured Scheme Creditor is entitled to appoint a Designated Recipient to receive its entitlement to New Common Equity and, in respect of the SUN Noteholders, New Warrants, provided that Secured Scheme Creditor or Unsecured Scheme Creditor does so in accordance with the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable).

Each Secured Scheme Creditor or Unsecured Scheme Creditor that appoints a Designated Recipient:

- (a) must procure that such Designated Recipient complies with the terms of the Secured Creditors' Scheme or Unsecured Creditors' Scheme (as applicable), the RID and the Restructuring Documents (as applicable); and
- (b) is liable for such Designated Recipient breaching the terms of the Secured Creditors' Scheme or Unsecured Creditors' Scheme (as applicable), the RID and the Restructuring Documents (as applicable).

8.4 **Entitlement to receive BLY Creditor Scheme Consideration**

As described in further detail in section 12 of this Explanatory Statement, Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to vote on the Secured Creditors' Scheme and/or the Unsecured Creditors' Scheme (as applicable) by completing and delivering their TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) to the Information Agent by no later than 4.00pm on 25 August 2021 (New York City Time).

(a) **TLA Purchasers and TLB Purchasers**

For the TLA Purchasers and TLB Purchasers (or their Designated Recipient who, in each case, are not Ineligible Persons), to receive their Secured Scheme Consideration and Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, they must ensure that they have completed and delivered their TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) in accordance with the instructions set out therein.

Further, if a TLA Purchaser or TLB Purchaser is an Other CSPO Participant but subsequently transfers or assigns its interest in the Term Loan A or Term Loan B (as applicable) after already nominating to participate in the Creditor Share Purchase Option, that TLA Purchaser or TLB Purchaser must ensure the person to whom the debt is transferred completes a TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) such that, among other things, an election is made by that person to participate in the Creditor Share Purchase Option and that person has requested the same Maximum Committed Securities as the TLA Purchaser who is transferring the debt. In this regard, please also refer to section 8.6 below.

(b) **SSN Noteholders**

In addition to submitting their SSN Account Holder Letter in accordance with the instructions set out therein, for SSN Noteholders to receive their Secured Scheme Consideration and Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, they must ensure that their respective Account Holders:

- (i) deliver Custody Instructions to DTC in relation to the SSN Noteholder's interest in the SSN Indenture Notes; and
- (ii) provide confirmation of the Custody Instructions to the Information Agent, during the Scheme Consideration Election Window.

SSN Noteholders should note that the Scheme Consideration Election Window will occur after the SSN Account Holder Letters are to be submitted for the purposes of the Scheme Meetings, and therefore will need to instruct their Account Holders separately in relation to the delivery of their respective Custody Instructions in order to receive New Common Equity on the Creditors' Scheme Implementation Date.

If a SSN Noteholder who is a Secured Scheme Creditor does not procure delivery of Custody Instructions to DTC and provide confirmation of the Custody Instructions to

the Information Agent during the Scheme Consideration Election Window, they will be deemed to be an Unidentified Secured Scheme Creditor and the New Common Equity to which that SSN Noteholder is entitled will be dealt with in accordance with section 8.2 of the Secured Creditors' Scheme (as explained in further detail at section 8.5 of this Explanatory Statement).

If a SSN Noteholder who is an Unsecured Scheme Creditor does not procure delivery of Custody Instructions to DTC and provide confirmation of the Custody Instructions to the Information Agent during the Scheme Consideration Election Window, they will be deemed to be an Unidentified Unsecured Scheme Creditor and the New Common Equity to which that SSN Noteholder is entitled will be dealt with in accordance with section 8.2 of the Unsecured Creditors' Scheme (as explained in further detail at section 8.5 of this Explanatory Statement).

Further, if a SSN Noteholder is an Other CSPO Participant but subsequently transfers or assigns its interest in SSN Indenture after already nominating to participate in the Creditor Share Purchase Option, that SSN Noteholder must ensure the person to whom the debt is transferred completes a SSN Account Holder Letter such that, among other things, an election is made by that person to participate in the Creditor Share Purchase Option and that person has requested the same Maximum Committed Securities as the SSN Noteholder who is transferring the debt. In this regard, please also refer to section 8.6 below.

(c) **SUN Noteholders**

In addition to submitting their SUN Account Holder Letter in accordance with the instructions set out therein, for SUN Noteholders to receive their Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, they must ensure that their respective Account Holders:

- (i) deliver Custody Instructions to DTC in relation to the SUN Noteholder's interest in the SUN Indenture Notes; and
- (ii) provide confirmation of the Custody Instructions to the Information Agent, during the Scheme Consideration Election Window.

SUN Noteholders should note that the Scheme Consideration Election Window will occur after the SUN Account Holder Letters are to be submitted for the purposes of the Unsecured Creditors' Scheme Meeting, and therefore will need to instruct their Account Holders separately in relation to the delivery of their respective Custody Instructions in order to receive New Common Equity and the New Warrants on the Creditors' Scheme Implementation Date.

If a SUN Noteholder who is an Unsecured Scheme Creditor does not procure delivery of Custody Instructions to DTC and provide confirmation of the Custody Instructions to the Information Agent during the Scheme Consideration Election Window, they will be deemed to be an Unidentified Unsecured Scheme Creditor and the New Common Equity and New Warrants to which that SUN Noteholder is entitled will be dealt with in accordance with section 8.2 of the Unsecured Creditors' Scheme (as explained in further detail at section 8.5 of this Explanatory Statement).

Further, if a SUN Noteholder is a Participating SUN Noteholder but subsequently transfers or assigns its interest in SUN Indenture after already nominating to participate in the Creditor Share Purchase Option, that SUN Noteholder must ensure the person to whom the debt is transferred completes a SUN Account Holder Letter such that, among other things, an election is made by that person to participate in the Creditor Share Purchase Option and that person has requested the same

Maximum Committed Securities as the SUN Noteholder who is transferring the debt. In this regard, please also refer to section 8.6 below.

8.5 **Ineligible Persons, Unidentified Secured Scheme Creditors and Unidentified Unsecured Scheme Creditors**

The BLY Creditor Schemes provide for the situation where a Secured Scheme Creditor or Unsecured Scheme Creditor would otherwise be entitled to Secured Scheme Consideration or Unsecured Scheme Consideration but for the fact they are either:

- (a) an Ineligible Person who has not appointed a Designated Recipient to receive such consideration; or
- (b) an Unidentified Secured Scheme Creditor or Unidentified Unsecured Scheme Creditor, on the basis that:
 - (i) they have not been identified in BLY's records provided to the Scheme Administrators in accordance with clause 7(e) of the RID; or
 - (ii) in respect of a SSN Noteholder or a SUN Noteholder who is a Secured Scheme Creditor or Unsecured Scheme Creditor, they have not procured delivery of Custody Instructions to DTC and provided confirmation of the Custody Instructions to the Information Agent during the Scheme Consideration Election Window to facilitate the delivery of the Secured Scheme Consideration or Unsecured Scheme Consideration, as described at section 8.4 of this Explanatory Statement.

In that scenario, on the Creditors' Scheme Implementation Date, BLY will issue the New Common Equity and, in respect of the SUN Noteholders, the New Warrants to which that Secured Scheme Creditor or Unsecured Scheme Creditor is entitled to a nominee appointed by BLY. The New Common Equity and, if applicable, New Warrants will be held by the nominee for that Secured Scheme Creditor or Unsecured Scheme Creditor.

In the situation where the nominee is holding the New Common Equity and, if applicable, New Warrants because the Secured Scheme Creditor or Unsecured Scheme Creditor is an Ineligible Person, then BLY will cause the nominee to:

- (a) as soon as is reasonably practicable (but, in any case within one month after the Members' Scheme Effective Time or, if the Members' Scheme is not approved by the Court, the Creditors' Schemes Restructuring Effective Time) offer all such New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) or, if applicable, New Warrants for sale in the manner, at such price and on such other terms the nominee thinks fit (and at the risk of the Secured Scheme Creditor or Unsecured Scheme Creditor who is an Ineligible Person);
- (b) remit to BLY the proceeds of sale (after deducting any reasonable brokerage or other selling costs, taxes and charges).

Promptly after the last sale of New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) and, if applicable, New Warrants, BLY must pay to each Secured Scheme Creditor and Unsecured Scheme Creditor who is an Ineligible Person the proportion of the net proceeds of sale received by BLY to which that Secured Scheme Creditor or Unsecured Scheme Creditor is entitled.

In the situation where the nominee is holding the New Common Equity and, if applicable, New Warrants because the Secured Scheme Creditor or Unsecured Scheme Creditor is an Unidentified Secured Scheme Creditor or Unidentified Unsecured Scheme Creditor, then BLY will take commercially reasonable steps to seek to identify the relevant Secured Scheme

Creditor or Unsecured Scheme Creditor for a period of 6 months from the date of the nominee receiving the New Common Equity and, if applicable, New Warrants.

If at any time during the 6 month period the Unidentified Secured Scheme Creditor or Unidentified Unsecured Scheme Creditor is identified, BLY will cause to be transferred to such creditor (or its nominated Designated Recipient) the New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) and, if applicable, New Warrants to which the creditor is entitled to be transferred to it, provided that person is not an Ineligible Person, in which case:

- (a) BLY will cause the nominee to, as soon as is reasonably practicable, sell the New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) and, if applicable, New Warrants at such price and on such other terms the nominee thinks fit (and at the risk of the relevant Secured Scheme Creditor or Unsecured Scheme Creditor) and remit the net proceeds of sale after deducting any reasonable brokerage or other selling costs, taxes and charges to BLY; and
- (b) promptly after the last sale of the New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) and, if applicable, New Warrants, BLY must pay to each such Secured Scheme Creditor or Unsecured Scheme Creditor the proportion of the net proceeds of sale received by BLY to which that Secured Scheme Creditor or Unsecured Scheme Creditor is entitled.

Otherwise, where such creditor has not been identified by the end of the 6 month period, BLY will cause the New Common Equity (or the CDIs issued to the nominee on implementation of the Members' Scheme) and, if applicable, New Warrants to which that Secured Scheme Creditor or Unsecured Scheme Creditor is entitled to be sold by the nominee and the proceeds to be donated by way of gift to a charity of BLY's choosing.

8.6 Entitlement to receive consideration after the Voting Entitlement Record Date

Both BLY Creditor Schemes contain the same provisions in relation to a person's entitlement to scheme consideration after the Voting Entitlement Record Date.

Subject to the transfer restrictions set out in clause 14.2 of each BLY Creditor Scheme (discussed below at section 8.7), the Scheme Companies (1) are under no obligation to recognise any assignment or transfer of interests in the Secured Debt or Unsecured Debt (as applicable) after the Voting Entitlement Record Date for the purpose of a person claiming to be entitled to receive New Common Equity, New Warrants or Shares pursuant to the Creditor Share Purchase Option (as applicable) under the BLY Creditor Schemes, and (2) have no obligations under the BLY Creditor Schemes to any person claiming to be a Secured Scheme Creditor or Unsecured Scheme Creditor to whom the relevant Secured Debt or Unsecured Debt (as applicable) was assigned or transferred, unless that person has:

- (a) provided a duly completed TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and/or SUN Account Holder Letter (as applicable) to the Information Agent in accordance with the instructions, other than the time by which the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and SUN Account Holder Letter (as applicable) must be returned to the Information Agent, as set out in section 12 of this Explanatory Statement;
- (b) if the person assigning or transferring the Secured Debt or Unsecured Debt (as applicable) is a party to the RSA, complied with the terms of the RSA; and
- (c) if the person assigning or transferring the Secured Debt or Unsecured Debt (as applicable) is a Participating SUN Noteholder or Other CSPO Participant, complied with the requirement set out at section 8.6(a) above and the relevant TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account

Holder Letter (as applicable) provided to the Information Agent has the relevant section titled 'Creditor Share Purchase Option' completed, whereby, among other things, the relevant transferee has elected to participate in the Creditor Share Purchase Option and has requested the same Maximum Committed Securities as the person assigning or transferring the Secured Debt or Unsecured Debt (as applicable).

Any person to whom the relevant Secured Debt or Unsecured Debt (as applicable) is assigned or transferred after the Voting Entitlement Record Date and is recognised by the Scheme Companies in accordance with the BLY Creditor Schemes, is deemed to have held the relevant Secured Debt or Unsecured Debt (as applicable) as at the Voting Entitlement Record Date for the purpose of determining its entitlement to receive New Common Equity or, (if applicable) New Warrants, or Shares pursuant to the Creditor Share Purchase Option under the BLY Creditor Schemes.

8.7 **Standstill and transfer restrictions under the BLY Creditor Schemes**

Both the Secured Creditors' Scheme and Unsecured Creditors' Scheme contain the same standstill provisions, transfer restrictions and terminate on the Sunset Date.

During the period on and from the Scheme Effective Date up to the Creditors' Schemes Restructuring Effective Time (the **Standstill Period**), neither the Secured Scheme Creditors, Unsecured Scheme Creditors, Agent, TLB Collateral Agent, SSN Trustee nor SUN Trustee may, except for the purpose of enforcing the terms of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, or any Deed Poll (as applicable), or as otherwise expressly provided by the Secured Creditors' Scheme or Unsecured Creditors' Scheme (as applicable), dispose of, transfer or exercise certain of its rights under the Creditors' Schemes Finance Documents.

The terms of the standstill are set out in clause 14.1 of each BLY Creditor Scheme. The purpose of these clauses is to ensure that the BLY Creditor Schemes can be implemented in an orderly manner, in accordance with their terms.

During the Standstill Period, Secured Scheme Creditors, Unsecured Scheme Creditors, Agent, TLB Collateral Agent, SSN Trustee and SUN Trustee are prohibited from disposing of or transferring any right under the Term Loan A, Term Loan B, SSN Indenture Notes or SUN Indenture Notes, other than with the consent of the Scheme Companies. The restriction on transferring is set out in clause 14.2 of each BLY Creditor Scheme.

Following the Scheme Effective Date in respect of both BLY Creditor Schemes, the Scheme Companies are under no obligation to recognise any assignment or transfer of interests in the Secured Debt or Unsecured Debt for the purposes of the BLY Creditor Schemes. That said, the Scheme Companies may in their sole discretion agree to recognise such assignment or transfer for the purpose of the BLY Creditor Schemes.

Relatedly, SSN Noteholders who are Secured Scheme Creditors and SUN Noteholders who are Unsecured Scheme Creditors should also note that delivering the Custody Instruction to the Information Agent during the Scheme Consideration Election Window will prevent further trading of that SSN Noteholder or SUN Noteholder's interest in the SSN Indenture or SUN Indenture (as applicable).

8.8 **Creditor Share Purchase Option**

SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Scheme Creditors will have the opportunity to subscribe for Shares at an issue price of AU\$2.48 per Share (**CSPO Issue Price**). The total amount to be raised by BLY under the Creditor Share Purchase Option is an amount equal to the aggregate of US\$2.5 million and the SPP Shortfall Amount (the **CSPO Cap Amount**). Shares under the Creditor Share Purchase Option will

be issued to Scheme Creditors who elect to participate in the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles described below. The Shares issued under the Creditor Share Purchase Option will rank equally with BLY's existing fully paid ordinary Shares on issue as at the date of their issue (which will occur after the Share Consolidation).

Shares under the Creditor Share Purchase Option will be allocated by BLY in accordance with the following principles and adjusted as a result of any rounding required by clause 12(b) of the Secured Creditors' Scheme or clause 12(b) of the Unsecured Creditors' Scheme (as applicable) (**CSPO Allocation Principles**):

- (a) (**Firstly, allocations to Participating SUN Noteholders**): Shares will first be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on the following basis:
 - (i) (*Initial pro rata allocation to Participating SUN Noteholders*) the Shares available under the CSPO Cap Amount will initially be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Participating SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Participating SUN Noteholders as at the Voting Entitlement Record Date, provided that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
 - (ii) (*Allocation of undersubscriptions to other Participating SUN Noteholders*) if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the initial pro rata allocation to Participating SUN Noteholders (or their Permitted CSPO Nominee) under paragraph (a)(i) above, the remaining available Shares will be allocated to the Participating SUN Noteholders (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (a)(i) above (**Oversubscribing Participating SUN Noteholders**) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Oversubscribing SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Oversubscribing Participating SUN Noteholders as at the Voting Entitlement Record Date, provided always that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
 - (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (B) each Participating SUN Noteholder (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
- (b) (**Secondly, allocations to Other CSPO Participants**): If the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocation of Shares to Participating SUN Noteholders (or their Permitted CSPO Nominees) under paragraph (a) above, then the remaining available Shares will be

allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on the following basis:

- (i) *(Initial pro rata allocation to Other CSPO Participants)* the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Other CSPO Participant under the BLY Creditor Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Other CSPO Participants under the BLY Creditor Schemes (not including Shares under the Creditor Share Purchase Option), provided that the maximum number of Shares that will be allocated to Other CSPO Participants (or their Permitted CSPO Nominees) pursuant to the Creditor Share Purchase Option will be the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter; and
- (ii) *(Allocation of undersubscriptions to Other CSPO Participants)* if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocations under paragraphs (a) and (b)(i) above, the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (b)(i) above (**Oversubscribing Other CSPO Participants**) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Oversubscribing Other CSPO Participant under the BLY Creditor Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Oversubscribing Other CSPO Participants under the BLY Creditor Schemes (not including Shares under the Creditor Share Purchase Option), provided always that the maximum number of Shares that will be allocated to an Other CSPO Participant (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
 - (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (B) each Other CSPO Participant (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter.

In each case, a Participating SUN Noteholder and Other CSPO Participants may only participate in the Creditor Share Purchase Option if they are not an Ineligible Person or, if they are an Ineligible Person, if they nominate a Permitted CSPO Nominee.

Participating SUN Noteholders and Other CSPO Participants may nominate another person (who is not an Ineligible Person) to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA, or accedes to the RSA; and
- (b) the Participating SUN Noteholder or Other CSPO Participant specifies the nominee's name and details in the relevant section titled 'Creditor Share Purchase Option' of

their SUN Account Holder Letter, SSN Account Holder Letter, TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable),

(a **Permitted CSPO Nominee**).

To elect to participate in and to determine the relevant allocation of Shares to be allocated to Participating SUN Noteholders or Other CSPO Participants under the Creditor Share Purchase Option, the relevant SUN Noteholder or Other CSPO Participant must not be an Ineligible Person and must complete and submit to the Information Agent the section titled 'Creditor Share Purchase Option' of their TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) as described in section 12.12 of this Explanatory Statement. Each such Participating SUN Noteholder or Other CSPO Participant's final allocation of Shares will then be determined by BLY in accordance with the CSPO Allocation Principles after 4.00 pm 17 September 2021 (New York City Time). BLY will then send a separate confirmation to Participating SUN Noteholders and Other CSPO Participants to notify them of their final allocation of Shares and their settlement obligations.

Participating SUN Noteholders and Other CSPO Participants must be either a Secured Scheme Creditor or Unsecured Scheme Creditor as at the Schemes Effective Date to remain a Participating SUN Noteholders and Other CSPO Participants. In this regard, please refer to sections 8.4 and 8.6 where further detail is provided about TLA Purchasers, TLB Purchasers, SSN Noteholders or SUN Noteholders entitlement to New Common Equity, New Warrants and/or Shares under the Creditor Share Purchase Option if their interest in the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture (as applicable) is transferred or assigned.

The Creditor Share Purchase Option will only be implemented if the Shareholder Resolutions are approved by Non-Associated Shareholders at the Shareholder Meeting of BLY Shareholders.

8.9 **Sunset Date**

If the BLY Creditor Schemes are not implemented by the Sunset Date, being 31 December 2021, the BLY Creditor Schemes will automatically terminate and the standstill shall cease to apply in relation to any Secured Scheme Creditor or Unsecured Scheme Creditor.

8.10 **Steps to implement the BLY Creditor Schemes: the Implementation Steps**

The Secured Creditors' Scheme provides for the restructuring of the Secured Debt to take place in the sequence set out in clause 8 of the Restructuring Implementation Deed.

Similarly, the Unsecured Creditors' Scheme provides for the restructuring of the Unsecured Debt to take place in the sequence set out in clause 8 of the Restructuring Implementation Deed.

For the purposes of this Explanatory Statement, the sequence of implementing the BLY Creditor Schemes and other Recapitalisation Transactions (except for the Share Consolidation) set out in clause 8 of the Restructuring Implementation Deed is defined as the **Implementation Steps**.

The following table sets out a high level summary of the Implementation Steps as set out in the Restructuring Implementation Deed:

Step	Summary of the Implementation Step
1	Issue of Shares and New Warrants:

Step	Summary of the Implementation Step
	BLY Creditor Schemes are implemented and Secured Scheme Creditors and Unsecured Scheme Creditors are issued Shares and, in respect of SUN Noteholders, New Warrants.
2	<p>Releases:</p> <p>On and from completion of Step 1, the waivers, releases and discharges under the BLY Creditor Schemes take effect.</p>
3	<p>Exit Financing:</p> <p>Immediately after completion of Step 2, funding occurs under the Exit Financing Facility, repaying the amounts outstanding under the Incremental Finance Facility and Existing Backstop ABL.</p>
4	<p>Share Purchase Plan:</p> <p>Immediately after completion of Step 3, Shares are issued to Eligible SPP Shareholders in accordance with the Share Purchase Plan.</p>
5	<p>Creditor Share Purchase Option:</p> <p>Immediately after completion of Step 4, Shares are issued to the participants under the Creditor Share Purchase Option.</p>
6	<p>Selective Buy-Back:</p> <p>Provided that the Selective Buy-Back is approved by BLY Shareholders at the Shareholder Meeting, the Members' Scheme is approved by BLY Shareholders and the BLY Creditor Schemes become Effective, immediately after completion of Step 5, the Selective Buy-Back is completed, the Shares of the Eligible SBB Shareholders are cancelled and consideration under the Selective Buy-Back is paid.</p>
7	<p>Subordinate Claim Releases:</p> <p>Subordinate Claim releases occur.</p>
8	<p>Confirmation of Scheme Restructuring Effective Time:</p> <p>Immediately after completion of Step 7, BLY share register is updated and a copy is provided to the Scheme Administrators.</p> <p>Scheme Administrator issue certificates to the Secured Scheme Creditors and the Unsecured Scheme Creditors advising of the Creditors' Schemes Restructuring Effective Time and notifying each Secured Scheme Creditor and each Unsecured Scheme Creditor of their respective shareholdings in BLY.</p>
9	<p>Assumption Deed Poll:</p> <p>If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act then, the Assumption Deed Poll takes effect on the date that the Members' Scheme becomes effective under section 411(10) of the Corporations Act.</p>
10	<p>Members Scheme Implementation:</p> <p>If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act, then, on the Members' Scheme Implementation Date, the Members' Scheme shall be implemented.</p>

These Implementation Steps are set out in full in clause 8 of the Restructuring Implementation Deed. This section 8.10 only summarises key parts of the Implementation Steps and does not include every part of each Implementation Step. Secured Scheme Creditors and Unsecured Scheme Creditors should carefully review the complete version of the Implementation Steps in the Restructuring Implementation Deed, contained at Schedule 2 of the Secured Creditors' Scheme and Schedule 2 of the Unsecured Creditors' Scheme.

If in the opinion of any of the Scheme Administrators, as a result of an event failing to occur, or take effect, it is not possible to put any of the Implementation Steps into effect, all of the parties to the Restructuring Implementation Deed, including the Secured Scheme Creditors, Unsecured Scheme Creditors, Obligors, those directors and officers who have executed Deeds Poll, the Agents, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee are to place each other in the positions they would have been in had any of the Implementation Steps under the Restructuring Implementation Deed already taken not been so taken.

8.11 **Outcomes for Secured Scheme Creditors and Unsecured Scheme Creditors**

If the BLY Creditor Schemes are implemented, the Secured Scheme Creditors and Unsecured Scheme Creditors will be issued their pro rata share of the Secured Scheme Consideration and Unsecured Scheme Consideration (as applicable) in accordance with the allocation principles summarised above.

A table showing the allocation of the New Common Equity by reference to the tranches of the Secured Debt and Unsecured Debt as at the RSA Date, and in accordance with the allocation principles summarised in section 8.3 above is set out below.

Debt tranche	Percentage of New Common Equity
SSN Secured Debt	53.55%
TLA Secured Debt	15.00%
TLB Secured Debt	18.52%
Sub-total	87.07%
SSN Unsecured Debt	1.98%
SUN Debt	3.73%
TLA Unsecured Debt	3.32%
TLB Unsecured Debt	3.89%
Sub-total	12.92%

In addition, if an Unsecured Scheme Creditor is a SUN Noteholder, it will receive a pro rata share of the New Warrants in accordance with the principles set out in the Unsecured Creditors' Scheme as summarised above.

The Secured Scheme Consideration and Unsecured Scheme Consideration is given to the Secured Scheme Creditors and Unsecured Scheme Creditors (as applicable) in exchange for the various promises given by them under Secured Creditors' Scheme and Unsecured

Creditors' Scheme (as applicable). These promises include that, with effect on and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID, each Secured Scheme Creditor and Unsecured Scheme Creditor waives, releases and discharges all of its rights, title and interest in the Secured Scheme Claims or Unsecured Scheme Claims (as applicable), and waives, releases and discharges all Liabilities of the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent, the SSN Trustee and (if applicable) the SUN Trustee to the Secured Scheme Creditors or Unsecured Scheme Creditors (as applicable) and each and every Claim which the Secured Scheme Creditors or Unsecured Scheme Creditors may have against the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent, the SSN Trustee and (if applicable) the SUN Trustee, in each case, in relation to or in connection with or in any way arising out of the:

- (a) the Secured Scheme Claims and Unsecured Scheme Claims (as applicable) and any of the facts, matters, circumstances and events that arose, occurred in respect of or gave rise to the Secured Scheme Claims or Unsecured Scheme Claims (as applicable);
- (b) the Creditors' Schemes Finance Documents;
- (c) the preparation, negotiation, approval or implementation of the RSA and/or the BLY Creditor Schemes and/or the Members' Scheme and/or the Restructuring Documents and/or the Incremental Finance Documents and/or the Existing Backstop ABL;
- (d) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.

However, the releases, waivers and discharges above do not:

- (a) disentitle any Obligor, Secured Scheme Creditor, Unsecured Scheme Creditor, Released Individual, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee from enforcing their respective rights under a BLY Creditor Scheme, the Restructuring Documents or in respect of any transaction to be implemented or consummated in connection therewith and each party agrees that those releases, waivers and covenants will be limited to the extent necessary to permit each of them to enforce any such rights;
- (b) extend to any Claim to the extent that such Claim relates to the released party's obligations under the RSA that require performance subsequent to the BLY Creditor Scheme's becoming Effective or to any terms of the RSA, or rights of any party to the RSA, that continue under or pursuant to the RSA; and
- (c) extend to any Claim by any party, to the extent that the relevant released party has engaged in fraud or wilful misconduct or been reckless, grossly negligent or dishonest in respect of the facts, matters, circumstances or events to which that Claim relates.

Separately to the issue of Secured Scheme Consideration and Unsecured Scheme Consideration, SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Scheme Creditors will also have the opportunity to subscribe for Shares pursuant to the Creditor Share Purchase Option. Further details in relation to the Creditor Share Purchase Option can be found at sections 8.8 and 12.12 of this Explanatory Statement.

Shareholdings on Implementation

The percentage of Shares owned by Secured Scheme Creditors and Unsecured Scheme Creditors in BLY after the relevant Recapitalisation Transactions (including the BLY Creditor Schemes) are implemented will depend on a number of factors. The table below sets out those Secured Scheme Creditors and Unsecured Scheme Creditor potentially holding 5% or

more of the total of the Shares in BLY after the relevant Recapitalisation Transactions (including the BLY Creditor Schemes) are implemented having regard to the following assumptions:

- (a) the debt holdings of the Supporting Creditors is based on information known to BLY as at 9 July 2021;
- (b) the foreign exchange conversion price used assumes a conversion price based on the average May 2021 USD/AUD exchange rate of \$1.29 (source: CapIQ);
- (c) none of the Existing Warrants and Existing Options are exercised. The current exercise prices of the Existing Warrants and Existing Options will be adjusted as a result of the Share Consolidation by multiplying the exercise prices by 20. Following that adjustment to the relevant exercise prices, the Existing Warrants and Existing Options will be significantly out of the money. It is therefore assumed for these purposes that the Existing Warrants and Existing Options will not be exercised. The tables below do not show the current holdings of the parties of the Existing Warrants and Existing Options;
- (d) No Shares are offered under the Share Purchase Plan;
- (e) No Shares are offered under the Creditor Share Purchase Option;
- (f) None of the New Warrants are exercised; and
- (g) No Shares are purchased by BLY under the Selective Buy-Back.

Creditor (which may comprise one or more individual entities or funds)	Percentage of total Shares
Centerbridge	45.6%
Ascribe	14.9%
Corre	11.8%
FPA	15.7%
Nut Tree	8.8%

8.12 **Outcome for the Scheme Companies**

If the BLY Creditor Schemes are implemented, the outcomes for the Scheme Companies are:

- (a) under the Secured Creditors' Scheme:
 - (i) the Scheme Companies will receive the benefit of the waivers, discharges and releases outlined in Section 8.11 above;
 - (ii) BLY will issue the New Common Equity to the Secured Scheme Creditors in accordance with the allocation principles outlined above; and
 - (iii) BLY will allocate and issue new Shares to Other CSPO Participants (subject to prior allocation and issuance to Participating SUN Noteholders), pursuant to the Creditor Share Purchase Option, as outlined in Section 8.8 above.

- (b) under the Unsecured Creditors' Scheme:
 - (i) the Scheme Companies will receive the benefit of the waivers, discharges and releases outlined in Section 8.11 above;
 - (ii) BLY will issue the New Common Equity and, in respect of the SUN Noteholders, the New Warrants to the Unsecured Scheme Creditors in accordance with the allocation principles outlined above;
 - (iii) BLY will allocate and issue new Shares to Participating SUN Noteholders and (to the extent any new Shares remain available after such allocation and issuance) to Other CSPO Participants, pursuant to the Creditor Share Purchase Option, as outlined in Section 8.8 above; and
 - (iv) the rights of Subordinate Claim Holders to bring Subordinate Claims against BLY will be limited to any amount actually recovered by BLY under any Applicable Insurance Policy applicable to that Subordinate Claim, less expenses incurred in connection with that Subordinate Claim.

In the case where the Members' Scheme is approved and implemented in accordance with its terms and the Restructuring Implementation Deed, the Secured Scheme Creditors and Unsecured Scheme Creditors will be bound by the Members' Scheme to transfer the Shares issued to them by BLY under the relevant BLY Creditor Scheme to New BLY Parent, in exchange for being issued with a number of CDIs in respect of shares in New BLY Parent equivalent to the same number of Shares held by that Secured Scheme Creditor or Unsecured Scheme Creditor.

Further, in respect of a SUN Noteholder who receives New Warrants, if the Members' Scheme is approved, then pursuant to the Assumption Deed Poll, New BLY Parent will be obliged to issue a number of warrants to buy CDIs in respect of shares in New BLY Parent equivalent to the number of New Warrants held by that SUN Noteholder.

8.13 **Outcomes for third parties**

The BLY Creditor Schemes provide for various releases given to parties that are not the Scheme Companies, the Secured Scheme Creditors or Unsecured Scheme Creditors. Such third parties will be bound by the BLY Creditor Schemes by entering into the relevant Deed Poll.

On and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID, the Unsecured Scheme Creditors, Secured Scheme Creditors, the Obligors, Released Individuals, Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee will release one another from various Liabilities and Claims arising from:

- (a) the Creditors' Schemes Finance Documents;
- (b) the preparation, negotiation, approval or implementation of the RSA and/or the BLY Creditor Schemes and/or the Members' Scheme and/or the Restructuring Documents; and
- (c) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms;

including any Claims or Liabilities which are unknown to or not in the contemplation of the parties, their employees, agents, former employees or former agents, or their related bodies corporate, at the time the releases in clause 10.1 of the Secured Creditors' Scheme and clause 10.1 of the Unsecured Creditors' Scheme take effect.

8.14 Summary of shareholder rights and protections

Under the BLY Creditor Schemes, the Secured Scheme Creditors and Unsecured Scheme Creditors will be issued New Common Equity. In circumstances where the Members' Scheme is approved, the Secured Scheme Creditors and Unsecured Scheme Creditors will receive CDIs in respect of shares in New BLY Parent. Otherwise, if the Members' Scheme is not approved, the Secured Scheme Creditors and Unsecured Scheme Creditors will receive the New Common Equity, being Shares in BLY. Set out below is a summary of shareholder rights and protections for both being a BLY Shareholder or holding CDIs in New BLY Parent.

(a) Australia

The Corporations Act affords a number of rights to members, and includes a number of minority shareholder protections including the rights and protections set out in the following table. These rights are only relevant if the Members' Scheme is **not** approved and implemented.

(b) Canada

Where the Members' Scheme **is** approved and implemented, the rights and protections afforded to members in relation to New BLY Parent will differ to those under Australian law. These rights and protections are summarised in the following table.

Item	Australia (<i>relevant where the Members' Scheme is <u>not</u> approved</i>)	Canada (<i>relevant where the Members' Scheme is approved and implemented</i>)
Right to request a general meeting of members	Section 249D of the Corporations Act provides that the directors of BLY must call and arrange to hold a general meeting of members on the valid request of members with at least 5% of the votes that may be cast at the general meeting.	Section 105(4) of the <i>Business Corporations Act</i> (Ontario) (OBCA) provides that, subject to certain exceptions, the directors of New BLY Parent must call a meeting of shareholders within twenty-one days after the date on which a valid request of shareholders with at least 5% of the issued shares of New BLY Parent that carry the right to vote at a meeting is received.
Right to requisition a general meeting of members	Section 249F of the Corporations Act provides that members with at least 5% of the votes that may be cast at a general meeting of BLY may call, and arrange to hold, a general meeting.	Section 105(1) of the OBCA provides that shareholders with at least 5% of the issued shares of New BLY Parent that carry the right to vote at a meeting may requisition the directors of the company to call a shareholders' meeting.
Right to propose resolutions at a general meeting of members	Section 249N of the Corporations Act provides that the following may give BLY notice of a resolution that the members propose to move at a general meeting:	Section 99(1) of the OBCA provides that: (a) a registered holder of shares entitled to vote at a meeting of shareholders; or

Item	Australia (relevant where the Members' Scheme is <u>not</u> approved)	Canada (relevant where the Members' Scheme is approved and implemented)
	<p>(a) members with at least 5% of the votes that may be cast on the resolution; or</p> <p>(b) at least 100 members who are entitled to vote at the general meeting.</p> <p>The notice must be in writing, set out the wording of the proposed resolution and be signed by the members proposing to move the resolution. The resolution must be considered at the next general meeting that occurs more than 2 months after the notice is given.</p>	<p>(b) a beneficial owner of shares that are entitled to be voted at a meeting of shareholders</p> <p>may submit to New BLY Parent notice of a proposal and discuss at the meeting any matter in respect of which the registered holder or beneficial owner would have been entitled to submit a proposal.</p> <p>Section 99(4) of the OBCA provides that a notice may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate at least 5% of total shares or 5% of a class or series of shares of New BLY Parent entitled to vote at the meeting to which the proposal is to be presented.</p>
Information access rights	<p>The Corporations Act affords rights to BLY Shareholders to access certain information about the Scheme Companies. These include the right to inspect the Scheme Companies' registers of members and minute books for members' meetings.</p>	<p>Section 145(1) of the OBCA affords rights to New BLY Parent shareholders to access all company records that New BLY Parent is required to keep under s 140(1).</p>
Ability to seek relief for "oppressive conduct"	<p>Part 2F.1 of the Corporations Act provides for a "statutory oppression" remedy for members, which provides the court with broad powers to grant relief to a member if the conduct of BLY is either:</p> <p>(a) contrary to the interests of the members as a whole; or</p> <p>(b) oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member (or members) whether in that capacity or another capacity.</p> <p>Examples of oppressive or unfair conduct can include:</p> <p>(a) an issue of Shares by the directors to the disadvantage of a minority BLY Shareholder;</p>	<p>Section 248(2) of the OBCA provides for a statutory "oppression remedy" for, among others, shareholders, which provides the court with broad powers to grant relief to a complainant if the conduct of New BLY Parent or any of its affiliates or their respective directors is either:</p> <p>(a) oppressive; or</p> <p>(b) unfairly prejudicial; or</p> <p>(c) unfairly disregards the interests of any security holder, creditor, director or officer of the corporation.</p> <p>The orders a court can make on the finding of oppressive or unfair conduct are broad, and may include:</p>

Item	Australia (relevant where the Members' Scheme is <u>not</u> approved)	Canada (relevant where the Members' Scheme is approved and implemented)
	<p>(b) improper diversion of business or business opportunities; and</p> <p>(c) denial of access to information.</p> <p>The orders a court can make on the finding of oppressive or unfair conduct are broad, and may include:</p> <p>(a) that BLY be wound up;</p> <p>(b) that BLY's constitution be amended or repealed;</p> <p>(c) that a receiver or a receiver and manager is appointed over any or all of BLY's property;</p> <p>(d) regulating the conduct of BLY's affairs in the future; and</p> <p>(e) authorising a member to institute, prosecute, defend or discontinue specified proceedings in the name and on behalf of BLY (e.g. by way of statutory derivative action).</p>	<p>(a) an order restraining the conduct complained of;</p> <p>(b) that New BLY Parent be wound up;</p> <p>(c) directing rectification of the registers or other New BLY Parent company records;</p> <p>(d) that a receiver or receiver manager is appointed over any or all of New BLY Parent's property;</p> <p>(e) regulating the conduct of New BLY Parent's affairs by amending the articles or by-laws or creating or amending a unanimous shareholder agreement; and</p> <p>(f) an order requiring the trial of any issue.</p>

If:

- (i) the Members' Scheme is not approved, the acquisition of Shares and other interests in BLY is regulated by Chapter 6 of the Corporations Act; and
- (ii) the Members' Scheme is approved, the acquisition of Shares and other interests in New BLY Parent is regulated under Canadian law.

For a brief discussion about relevant restrictions on the acquisition of Shares and other interests, see section 10.2(i) of this Explanatory Statement.

Further, rights attaching to the Shares and CDIs in respect of shares in New BLY Parent (see section 11.3) and the terms and conditions of the New Warrants provide certain other protections to SUN Noteholders.

8.15 **Who will be bound by the BLY Creditor Schemes?**

(a) **Secured Creditors' Scheme**

If the Secured Creditors' Scheme becomes effective, it will bind each Secured Scheme Creditor (as at the Scheme Effective Date of the Secured Creditors' Scheme) and the Scheme Companies. By operation of the Deeds Poll, provided that they are executed, it will bind the Secured Scheme Administrators, the Obligors, the Agent, the TLB Collateral Agent, the SSN Trustee and any Released Individual.

If you are a Secured Scheme Creditor and you do not vote at the Secured Creditors' Scheme Meeting, or you vote against the Secured Creditors' Scheme, you will be bound by the Secured Creditors' Scheme, provided that the Secured Creditors' Scheme is agreed to by the Requisite Majority and is approved by the Court, and you remain a Secured Scheme Creditor as at the Scheme Effective Date in respect of the Secured Creditors' Scheme.

(b) **Unsecured Creditors' Scheme**

If the Unsecured Creditors' Scheme becomes effective, it will bind each Unsecured Scheme Creditor (as at the Scheme Effective Date of the Unsecured Creditors' Scheme), each Subordinate Claim Holder and the Scheme Companies. By operation of the Deeds Poll, provided that they are executed, it will bind the Unsecured Scheme Administrators, the Obligors, the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee and any Released Individual.

If you are an Unsecured Scheme Creditor and you do not vote at the Unsecured Creditors' Scheme Meeting, or you vote against the Unsecured Creditors' Scheme, you will be bound by the Unsecured Creditors' Scheme, provided that the Unsecured Creditors' Scheme is agreed to by the Requisite Majority and is approved by the Court, and you remain an Unsecured Scheme Creditor as at the Scheme Effective Date in respect of the Unsecured Creditors' Scheme.

8.16 **Execution risks**

The execution risks that could prevent the BLY Creditor Schemes being implemented include:

- (a) the BLY Shareholders do not pass the Shareholder Resolutions, particularly the Shareholder Resolution required to issue the New Common Equity to the Secured Scheme Creditors and Unsecured Scheme Creditors;
- (b) the Requisite Majority do not agree to the Secured Creditors' Scheme;
- (c) the Requisite Majority do not agree to the Unsecured Creditors' Scheme;
- (d) the Court does not approve either or both of the BLY Creditor Schemes, or it approves the BLY Creditor Schemes with alterations or conditions that change the substance of the BLY Creditor Schemes in a material way;
- (e) a person objecting to either or both of the BLY Creditor Schemes appeals against the Court's orders approving the BLY Creditor Schemes (and potentially seeks a stay of those orders pending resolution of that appeal) or applies for injunctive relief and the Court orders the stay or grants an injunction without requiring the person to give the usual undertaking as to damages;
- (f) the conditions precedents to the BLY Creditor Schemes are not satisfied including, but not limited to, any of the BLY Creditor Schemes not becoming effective pursuant to section 411(10) of the Corporations Act;
- (g) the Restructuring Support Agreement is terminated; or
- (h) the Restructuring Implementation Deed is terminated.

It is also fundamental to the operation of the BLY Creditor Schemes that:

- (a) the Agent performs its obligations in connection with each of the BLY Creditor Schemes. The Agent has undertaken or it is expected will shortly undertake to sign

and provide a deed poll on the Scheme Effective Date under which it agrees to be bound by both of the BLY Creditor Schemes;

- (b) the TLB Collateral Agent performs its obligations in connection with each of the BLY Creditor Schemes. The TLB Collateral Agent has undertaken or it is expected will shortly undertake to sign and provide a deed poll on the Scheme Effective Date under which it agrees to be bound by both of the BLY Creditor Schemes;
- (c) the SSN Trustee performs its obligations in connection with each of the BLY Creditor Schemes. The SSN Trustee has undertaken to sign and provide a deed poll on the Scheme Effective Date under which it agrees to be bound by both of the BLY Creditor Schemes;
- (d) the SUN Trustee performs its obligations in connection with the Unsecured Creditors' Scheme. The SUN Trustee has undertaken or it is expected will shortly undertake to sign and provide a deed poll on the Scheme Effective Date under which it agrees to be bound by the Unsecured Creditors' Scheme;
- (e) the Scheme Administrators perform their obligations in connection with the BLY Creditor Schemes (as applicable) and the Restructuring Implementation Deed;
- (f) the Secured Scheme Creditors perform their obligations in connection with the Secured Creditors' Scheme. Under the Secured Creditors' Scheme, each Secured Scheme Creditor will irrevocably direct the Secured Scheme Administrators to execute and deliver, as its attorney and agent, a Secured Scheme Creditor Deed Poll and the Restructuring Implementation Deed under which they agree to complete certain actions;
- (g) the Unsecured Scheme Creditors perform their obligations in connection with the Unsecured Creditors' Scheme. Under the Unsecured Creditors' Scheme, each Unsecured Scheme Creditor will irrevocably direct the Unsecured Scheme Administrators to execute and deliver, as its attorney and agent, an Unsecured Scheme Creditor Deed Poll and the Restructuring Implementation Deed under which they agree to complete certain actions; and
- (h) the Backstop Agent, the Backstop Collateral Agent, the Incremental Agent and the Incremental Collateral Agent each perform their respective obligations in connection with the Restructuring Implementation Deed.

8.17 **Modification of the BLY Creditor Schemes**

(a) **Modifications by the Secured Scheme Creditors or Unsecured Scheme Creditors**

It is possible that a Secured Scheme Creditor or an Unsecured Scheme Creditor may propose a modification to the terms of the applicable BLY Creditor Scheme at the respective Scheme Meeting (prior to the passing of the applicable resolution to agree the respective BLY Creditor Scheme) or apply to the Court for a modification of the terms of the respective BLY Creditor Scheme.

Although it is permissible for a Secured Scheme Creditor or Unsecured Scheme Creditor to propose a modification and for a Scheme Meeting to consider a resolution to approve the modification proposed, Secured Scheme Creditors and Unsecured Scheme Creditors should be aware that the consequences of modifying the terms of the BLY Creditor Schemes include:

- (i) if the modification is materially adverse to the Scheme Companies or any particular Secured Scheme Creditor, Unsecured Scheme Creditor or class of

them (as applicable), it may give rise to a basis, which may not otherwise exist, for the Court to refuse to approve the modified BLY Creditor Scheme. In such circumstances, the BLY Creditor Schemes will not become effective (in either the modified or original form);

- (ii) the Scheme Companies may not consent to the modified BLY Creditor Scheme and therefore the Scheme Companies may not be prepared to seek the Court's approval of the modified BLY Creditor Scheme; and
- (iii) depending on the nature and extent of the modifications and their impact upon the overall BLY Creditor Scheme, the modifications could effectively invalidate any previously obtained consents and, if so, then the consequences may be that further consents would need to be obtained.

(b) **Modifications by the Court**

Under section 411(6) of the Corporations Act, the Court may approve the proposed BLY Creditor Schemes at the Second Court Hearing subject to alterations or conditions as it thinks just.

The conditions precedents to each of the BLY Creditor Schemes (outlined in section 8.2 above) include that the BLY Creditor Schemes will only come into effect if, among other things, the Court's alterations or conditions (if any) to the BLY Creditor Schemes do not change the substance of the BLY Creditor Schemes in any material way.

8.18 **The Scheme Administrators**

If the Secured Creditors' Scheme is agreed to by the Secured Scheme Creditors and approved by the Court, the Secured Scheme Administrators will be appointed in accordance with the terms of the Secured Scheme Administrators Deed Poll and the Secured Creditors' Scheme. The Secured Scheme Creditors will irrevocably authorise the Secured Scheme Administrators to execute and deliver, as their attorney and agent, the Restructuring Implementation Deed and the Secured Scheme Creditor Deed Poll.

If the Unsecured Creditors' Scheme is agreed to by the Unsecured Scheme Creditors and approved by the Court, the Unsecured Scheme Administrators will be appointed in accordance with the terms of the Unsecured Scheme Administrators Deed Poll and the Unsecured Creditors' Scheme. The Unsecured Scheme Creditors will irrevocably authorise the Unsecured Scheme Administrators to execute and deliver, as their attorney and agent, the Restructuring Implementation Deed and the Unsecured Scheme Creditor Deed Poll.

Christopher Clarke Hill and David Peter McGrath of FTI Consulting have agreed to act as both Secured Scheme Administrators and Unsecured Scheme Administrators (together, the **Scheme Administrators**).

Under the terms of the Secured Scheme Administrators Deed Poll and Unsecured Scheme Administrators Deed Poll, each Scheme Administrator (as applicable):

- (a) consents to the applicable BLY Creditor Scheme;
- (b) agrees to be bound by the applicable BLY Creditor Scheme as if they were a party to that BLY Creditor Scheme; and
- (c) undertakes:

- (i) to accept all appointments, authorisations and directions, to perform all obligations and undertake all actions attributed to him or her under the applicable BLY Creditor Scheme;
- (ii) to do all things necessary and execute all further documents necessary to give full effect to the applicable BLY Creditor Scheme and all transactions contemplated by it; and
- (iii) not to act inconsistently with any provision of the applicable BLY Creditor Scheme.

The Scheme Administrators' liability in the performance or exercise of their powers, obligations and duties under the applicable BLY Creditor Scheme is limited in accordance with that BLY Creditor Scheme.

In addition, the Scheme Administrators will also be a party to the Restructuring Implementation Deed and be required to comply with their obligations under the terms of that document. The Scheme Administrators' liability in the performance or exercise of their powers, obligations and duties under the Restructuring Implementation Deed is limited in accordance with the Restructuring Implementation Deed.

The remuneration of the Scheme Administrators, their partners and staff will be calculated on a time basis at the hourly rates set out in Annexure F to this Explanatory Statement.

The Scheme Administrators' Costs of administering the Secured Creditors' Scheme, Unsecured Creditors' Scheme and the Restructuring Implementation Deed are estimated to be between AU\$40,000 and AU\$50,000 (excluding GST).

8.19 Challenging the Scheme Administrators generally

A Secured Scheme Creditor or Unsecured Scheme Creditor who is aggrieved by any act, omission or decision of the Secured Scheme Administrators or Unsecured Scheme Administrators (as applicable) may appeal to the Court under section 599 of the Corporations Act. The Court may confirm, reverse or modify the act or decision, or remedy the omission, as the case may be, and make such orders and directions as the Court thinks fit.

9. THE FTI CONSULTING REPORT

9.1 Scope of the FTI Consulting Report

Ashurst, on behalf of the Scheme Companies, has engaged FTI Consulting to prepare a report addressing the following matters:

- (a) the solvency of the Group²¹ following the implementation of the proposed BLY Creditor Schemes:
 - (i) solvency is to be determined following completion of the BLY Creditor Schemes; and
 - (ii) with reference to 'solvency' in section 95A of the Corporations Act.
- (b) the expected dividend that would be respectively available to the:
 - (i) Secured Scheme Creditors; and
 - (ii) Unsecured Scheme Creditors,if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Corporations Act (and the BLY Creditor Schemes were not implemented).
- (c) the expected dividend that would be respectively paid to the:
 - (i) Secured Scheme Creditors; and
 - (ii) Unsecured Scheme Creditors,if the BLY Creditor Schemes were put into effect as proposed;
- (d) the likely outcome for the Group (including the Scheme Companies) should the BLY Creditor Schemes not be implemented having regard to the Group's (including the Scheme Companies') existing financial position and projections.

Secured Scheme Creditors and Unsecured Scheme Creditors should consider the entire FTI Consulting Report, which is at Annexure C, before deciding how to vote.

9.2 Conclusions as to most likely outcome if BLY Creditor Schemes are implemented

Subject to the assumptions and calculations made in the FTI Consulting Report, FTI Consulting is of the opinion that:

- (a) the Group will be solvent following the implementation of the proposed BLY Creditor Schemes; and
- (b) the Implied Value respectively available to Secured Scheme Creditors and Unsecured Scheme Creditors if the BLY Creditor Schemes were effectuated as proposed:

²¹ The FTI Consulting Report defines 'Group' to mean 'Boart Longyear Limited and subsidiaries'.

US\$ million	Debt	Return	Return (c/US\$)
Secured Scheme Creditors	493.6	214.6	43.5
Unsecured Scheme Creditors	302.5	31.9	10.5

9.3 Conclusions as to most likely outcome if BLY Creditor Schemes are not implemented

Subject to the assumptions and calculations made in the FTI Consulting Report, FTI Consulting is of the opinion that, if the BLY Creditor Schemes are not implemented:

- (a) if no alternate restructuring plan was reasonably certain of being advanced, the Group would likely be unable to pay its debts as and when they fall due. In this circumstance, the directors of the Scheme Companies would likely immediately seek to appoint voluntary administrators (or other applicable insolvency appointment) to the Scheme Companies and other entities within the Group.
- (b) in a Controlled Insolvency Scenario (as defined in the FTI Consulting Report), the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors would be:

US\$ million	Debt	Return	Return (c/US\$)
Secured Scheme Creditors	492.2	145.9	29.6
Unsecured Scheme Creditors	301.7	-	-

- (c) in an Uncontrolled Insolvency Scenario (as defined in the FTI Consulting Report), the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors would be:

US\$ million	Debt	Return	Return (c/US\$)
Secured Scheme Creditors	492.2	60.3	12.3
Unsecured Scheme Creditors	301.7	0.7	0.2

9.4 **KPMG Corporate Finance Report and valuation methodology**

BLY has engaged KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) to prepare an independent expert report setting out whether, in KPMG Corporate Finance's opinion, the Recapitalisation is fair and reasonable to the Non-Associated Shareholders of BLY (the **KPMG Corporate Finance Report**).

The KPMG Corporate Finance Report includes an enterprise value of the Group which differs from the enterprise value of the Group included in the FTI Consulting Report.

KPMG Corporate Finance's enterprise valuation of US\$455.0 to US\$510.0 million adopts a through-the-cycle approach by looking at the historical 3 year (US\$76.0m), 5 year (US\$60.6m) and 7 year (US\$47.8m) average EBITDA having considered adjusted EBITDA and statutory EBITDA ending December 2020 and the 3 year (US\$78.3m), 5 year (US\$71.7m) and 7 year (US\$55.8m) average EBITDA having considered adjusted EBITDA and statutory EBITDA ending December 2021. Based on this analysis KPMG Corporate Finance selected a maintainable EBITDA range of US\$65.0 million to US\$85.0 million. An EBITDA multiple of 7.0 to 6.0 times EBITDA (inclusive of a control premium) has then been applied to derive an enterprise value for the Company utilising through-the-cycle multiples observed for comparable companies.

FTI Consulting's enterprise valuation of US\$394.2 to US\$417.4 million is derived using the capitalisation of earnings method as their primary method, based on an estimated maintainable earnings figure calculated by reference to FTI's FY21 forecast of adjusted EBITDA (assuming that the BLY Creditor Schemes are approved) of US\$115.9 million. In determining this value, FTI Consulting adjusted BLY's 2021 forecast adjusted EBITDA to account for AASB16 'Leases' (where relevant), gains on sale of assets and the removal of VAT write offs. An EBITDA multiple of 3.4 to 3.6 times EBITDA (not inclusive of a control premium) was then applied to derive an enterprise value for the Group.

FTI Consulting cross-checked the above method using a discounted cash flow method and derived an enterprise valuation of US\$376.5 million to US\$444.9 million. FTI Consulting state that this supports their valuation under the primary capitalisation of earnings method.

For the purposes of calculating (a) the Implied Value available to Secured Scheme Creditors and Unsecured Scheme Creditors (referred to above in section 9.2 of this Explanatory Statement) and (b) the expected dividend to Secured Scheme Creditors and Unsecured Scheme Creditors in a Controlled Insolvency Scenario (referred to above in section 9.3 of this Explanatory Statement), FTI have used the mid-point of their enterprise value range of US\$394.2 to US\$417.4 million, being an enterprise value of US\$405.8 million.

While FTI Consulting and KPMG Corporate Finance have both adopted a capitalisation of earnings approach, the differences in enterprise value result from the different basis of earnings and capitalisation rates applied by each and KPMG Corporate Finance preparing a valuation on a control basis and FTI Consulting preparing a valuation not on a control basis.

If creditors would like to view the KPMG Corporate Finance Report, it is expected to be disclosed to ASX in due course and will be available at <http://www.boartlongyear.com/>

10. REASONS FOR AND AGAINST THE BLY CREDITOR SCHEMES

This section 10 sets out the potential advantages and disadvantages of the BLY Creditor Schemes.

Except where indicated to the contrary, the advantages and disadvantages detailed below relate to both the Secured Creditors' Scheme *and* the Unsecured Creditors' Scheme.

10.1 Reasons to consider voting for the BLY Creditor Schemes

The reasons why the Secured Scheme Creditors may consider voting in favour of the Secured Creditors' Scheme and the Unsecured Scheme Creditors may consider voting in favour of the Unsecured Creditors' Scheme include:

(a) Debt for equity swap and potential for uplift in value from ownership of Shares when compared to insolvency process

(i) Secured Creditors' Scheme

If the Secured Creditors' Scheme is approved, the Secured Scheme Creditors will release the Obligors from all their respective obligations to pay the Secured Debt to the Secured Scheme Creditors under the Creditors' Schemes Finance Documents and in consideration for such a release will receive the New Common Equity from BLY in the amount equal to:

- (A) the TLA Secured Equity Entitlement;
- (B) the TLB Secured Equity Entitlement; and
- (C) the SSN Secured Equity Entitlement.

As security holders, the Secured Scheme Creditors may have the opportunity to realise the value of their converted debt through any increase in the value of the Shares (or CDIs if the Members' Scheme is implemented) on sale, transfer or exercise. The Secured Scheme Creditors may consider that the potential to recover value through sale, transfer or exercise of the Shares (or CDIs if the Members' Scheme is implemented) is an advantage when compared to the likely crystallisation of loss that would occur for some or all Secured Scheme Creditors on an insolvency event.

Further, Secured Scheme Creditors may consider that a formal insolvency process is likely to be destructive to the realisable value of the Scheme Companies' business and assets, which may further diminish the recoverable value of the Secured Debt owed to them.

(ii) Unsecured Creditors' Scheme

If the Unsecured Creditors' Scheme is approved, the Unsecured Scheme Creditors will release the Obligors from all their respective obligations to pay the Unsecured Debt to the Unsecured Scheme Creditors under the Creditors' Schemes Finance Documents and in consideration for such a release will receive:

- (A) the New Common Equity from BLY in the amount equal to:
 - (aa) the TLA Unsecured Equity Entitlement;
 - (bb) the TLB Unsecured Equity Entitlement;

(cc) the SSN Unsecured Equity Entitlement; and

(dd) the SUN Equity Entitlement; and

(B) in the case of the SUN Noteholders, the New Warrants from BLY.

As security holders, the Unsecured Scheme Creditors may have the opportunity to realise the value of their converted debt through any increase in the value of the Shares (or CDIs if the Members' Scheme is implemented) or New Warrants on sale, transfer or exercise. The Unsecured Scheme Creditors may consider that the potential to recover value through sale, transfer or exercise of the Shares (or CDIs if the Members' Scheme is implemented) or New Warrants is an advantage when compared to the likely crystallisation of loss that would occur for some or all Unsecured Scheme Creditors on an insolvency event.

Further, Unsecured Scheme Creditors may consider that a formal insolvency process is likely to be destructive to the realisable value of the Scheme Companies' business and assets, which may further diminish the recoverable value of the Unsecured Debt owed to them.

(b) **Avoidance of uncertainties associated with insolvency**

The BLY Creditor Schemes will provide a means by which the respective debt owed to the Secured Scheme Creditors and Unsecured Scheme Creditors under the Creditors' Schemes Finance Documents will be restructured without the appointment of a voluntary administrator, liquidator or receiver and manager to the Scheme Companies or the Obligors.

The BLY Creditor Schemes will minimise disruption to the business and the diminution of value that would almost certainly occur as a consequence of such appointments. Any appointment of an administrator, liquidator or receiver and manager may result in certain counterparties being entitled to terminate contracts with the Scheme Companies. This would be detrimental to the ongoing businesses of the Scheme Companies, particularly with respect to the Scheme Companies' relationships with its key customers, and would affect the value that could be realised out of a sale of the assets of the Scheme Companies and the Group.

Given the global nature of the Scheme Companies, an insolvency proceeding in Australia could lead to a number of similar protections being sought in a number of other countries worldwide.

(c) **Avoidance of insolvency expenses**

The legal, administrative and funding costs associated with the administration, liquidation or receivership and management of the Scheme Companies would be avoided if the BLY Creditor Schemes are approved and implemented. By way of example, FTI Consulting have assumed in the FTI Consulting Report that liquidator and professional fees would total approximately US\$38.3 million in an Uncontrolled Insolvency Scenario²² (including fees related to the appointed liquidators, as well as their respective legal and financial advisors).

(d) **Transaction certainty**

Effecting the proposed restructuring by way of the BLY Creditor Schemes will provide greater transaction certainty for the Secured Scheme Creditors, the Unsecured

²² As defined in the FTI Consulting Report.

Scheme Creditors and the Scheme Companies (which will continue to operate the business) than could be achieved without the BLY Creditor Schemes in circumstances in which the Secured Scheme Creditors and the Unsecured Scheme Creditors do not unanimously consent to the proposed restructuring.

In the event that the Court makes orders approving the BLY Creditor Schemes and those orders are lodged with ASIC (and subject to satisfaction of the conditions precedent), the steps that give effect to the proposed restructuring will have the force of law.

(e) **Ability for Scheme Companies to continue to trade and raise additional funds**

If the BLY Creditor Schemes are implemented, subject to market conditions, the potential for the Scheme Companies to continue to trade and operate their businesses will be improved by a lower debt burden and enhanced liquidity through a reduced cash interest burden.

The decrease in overall debt (and corresponding effect on the Scheme Companies' balance sheets) arising from the release of obligations to pay under the Creditors' Schemes Finance Documents and the refinancing of the Incremental Finance Facility and Existing Backstop ABL may enable the Scheme Companies to explore further fund raising opportunities in the future for the purpose of business growth and expansion.

Further, Secured Scheme Creditors and Unsecured Scheme Creditors may consider that a formal insolvency process is likely to be destructive to the realisable value of the Scheme Companies' business and assets, which may further diminish the recoverable value of the Secured Debt and Unsecured Debt owed to them.

(f) **Statutory protections for BLY Shareholders**

As BLY is a public company, the BLY Shareholders will have certain statutory protections, details of which are set out in section 8.14. Further, if the Members' Scheme is implemented, the holders of CDIs in respect of shares in New BLY Parent will have the statutory protections as also set out in section 8.14.

In addition, as the Shares (or CDIs if the Members' Scheme is approved) are listed on ASX, those securities may be more readily sold or transferred by the Secured Scheme Creditors and Unsecured Scheme Creditors in the future when compared to both distressed debt and securities in an unlisted company.

(g) **Limit on Subordinate Claims**

If the Unsecured Creditors' Scheme is implemented, the rights of Subordinate Claim Holders to bring Subordinate Claims against BLY will be limited, reducing its potential exposure to the risks associated with such claims.

(h) **Opportunity to participate in Creditor Share Purchase Option**

As the Creditor Share Purchase Option forms part of the BLY Creditor Schemes, it is conditional on the BLY Creditor Schemes being approved by Requisite Majority and approved by the Court. Secured Scheme Creditors and Unsecured Scheme Creditors may consider there is additional value in being able to participate in the Creditor Share Purchase Option to acquire additional Shares. Further, the proceeds received by BLY from the Creditor Share Purchase Option are intended to be applied towards reducing the amount outstanding under the Existing PNC ABL, thereby further reducing the Group's debt and consequently providing additional liquidity for the Group to take advantage of new projects and other business opportunities.

These potential advantages of the BLY Creditor Schemes must be considered in light of the potential disadvantages of the BLY Creditor Schemes, which are discussed in section 10.2 below.

Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

Secured Scheme Creditors and Unsecured Scheme Creditors are not obliged to follow the recommendation of the Directors of the Scheme Companies and may decide to vote against the BLY Creditor Schemes (as applicable).

10.2 **Reasons to consider voting against the BLY Creditor Schemes**

The reasons why the Secured Scheme Creditors may consider voting against the Secured Creditors' Scheme and the Unsecured Scheme Creditors may consider voting against the Unsecured Creditors' Scheme include:

(a) **Insolvency return**

Secured Scheme Creditors and Unsecured Scheme Creditors may consider voting against the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (as applicable) if they consider there is potential for a better return to them under a formal solvency process.

If the BLY Creditor Schemes are not implemented, it is likely that an insolvency event will occur in relation to the Scheme Companies. In that circumstance, some Secured Scheme Creditors and/or Unsecured Scheme Creditors may consider that there would be a better return to them than the return available under the respective BLY Creditor Scheme.

Secured Scheme Creditors and Unsecured Scheme Creditors should have regard to the opinions in the FTI Consulting Report in this regard (summarised in section 9).

(b) **Future Performance and qualifications in the FTI Consulting Report**

The future performance of BLY is uncertain and dependent in part on external factors.

The FTI Consulting Report notes that the Group's Long Term Forecast²³ cash flow indicates it to have month end liquidity of not less than US\$29.9 million over the course of FY21 to FY23. Whilst FTI Consulting consider the Long Term Forecast to appear reasonable, they note that:

- (i) the ability of the Group to meet its debts as and when they fall due, and remain solvent, is tied to its ability to:
 - (A) achieve the EBITDA forecast assumed in the FY21 RF1 Budget²⁴ and Long Term Forecast;
 - (B) continue to realise US\$3 million of surplus assets each year;
 - (C) manage the collection of its debts across the global operational and not suffer any material deterioration in customer terms;

²³ The FTI Consulting Report defines 'Long Term Forecast' to mean '*the Group Three-Year Forecast Model (2021 to 2023) – Transaction Completed*'.

²⁴ The FTI Consulting Report defines 'FY21 RF1 Budget' to mean '*the 2021 Group Budget Forecast Model (RF1)*'.

- (D) manage the payment of its trade suppliers month to month to match its liquidity position;
 - (E) fund the capital expenditure required to sustain the existing drilling fleet in line with the FY21 RF1 Budget and Long Term Forecast; and
 - (F) manage unexpected material interruptions to its business owing to weather, adverse movements in underlying commodity prices or other unforeseen events, over and above those that are able to be managed within its minimum liquidity balance of US\$25 million; and
- (ii) further, any material adverse outcome in relation to the CRA tax disputes (discussed in section 7.3(b)(iii) of this Explanatory Statement and detailed at section 4.2.2 of the FTI Consulting Report) that would require payment to be made prior to 31 August 2022 or shortly thereafter, or any material adverse issues arising in relation to potential tax risks disclosed in section 2.9 of this Explanatory Statement, would impact upon the Group's solvency.

On this basis, BLY may not perform consistently with its future projections.

Further details in relation to the FTI Consulting Report, including its conclusions, can be found in section 9 of this Explanatory Statement and a copy of the FTI Consulting Report is at Annexure C.

(c) **Release of Secured Debt owed to Secured Scheme Creditors and Unsecured Debt owed to Unsecured Scheme Creditors**

(i) **Secured Creditors' Scheme**

As a result of implementation of the Secured Creditors' Scheme, and subject to any limitations set out in the Secured Creditors' Scheme, the Secured Scheme Creditors will release the Scheme Companies and the Obligors from all Claims and obligations under the Creditors' Schemes Finance Documents to the extent of the Secured Debt and, following that release, will have no further right to recover the Secured Debt as a debt from the Scheme Companies or any of the Obligors.

The total Secured Debt as at 12 May 2021 is estimated to be US\$493.6 million.

(ii) **Unsecured Creditors' Scheme**

As a result of implementation of the Unsecured Creditors' Scheme, and subject to any limitations set out in the Unsecured Creditors' Scheme, the Unsecured Scheme Creditors will release the Scheme Companies and the Obligors from all Claims and obligations under the Creditors' Schemes Finance Documents to the extent of the Unsecured Debt and, following that release, will have no further right to recover the Unsecured Debt as a debt from the Scheme Companies or any of the Obligors.

The total Unsecured Debt as at 12 May 2021 is estimated to be US\$302.5 million.

The release of the Secured Debt under the Secured Creditors' Scheme and the Unsecured Debt under the Unsecured Creditors' Scheme, and the loss of rights to recover those amounts as debts from the Scheme Companies and the Obligors, should be considered in light of the conclusions set out in the FTI Consulting Report, which estimate that Secured Scheme Creditors and Unsecured Scheme Creditors would recover less by way of dividend in the event that the Scheme Companies are

subject to a formal insolvency process (either controlled or uncontrolled), compared to the Implied Value respectively available to Secured Scheme Creditors and Unsecured Scheme Creditors if the BLY Creditor Schemes are effectuated as proposed.

(d) **Release of directors and officers of the Scheme Companies and Obligors**

(i) **Secured Creditors' Scheme**

The Secured Creditors' Scheme provides for the Secured Scheme Creditors to waive, release and discharge each and every Claim which the Secured Scheme Creditors may have against, amongst others, the Obligors and the Released Individuals, in each case, in relation to or in connection with or in any way arising out of the:

- (A) the Secured Scheme Claims and any of the facts, matters, circumstances and events that arose, occurred in respect of or gave rise to the Secured Scheme Claims;
- (B) the Creditors' Schemes Finance Documents;
- (C) the preparation, negotiation, approval or implementation of the RSA and/or the Secured Creditors' Scheme and/or the Unsecured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents and/or the Incremental Finance Documents and/or the Existing Backstop ABL; and
- (D) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.

For further information in relation to these waivers, releases and discharges please refer to section 8.11 of this Explanatory Statement.

Secured Scheme Creditors may consider that they have a potential Claim against one or more of the Obligors or Released Individuals, which would result in a recovery in favour of the Secured Scheme Creditors and may, accordingly, wish to vote against the Secured Creditors' Scheme and pursue that Claim, whether by placing the Scheme Companies or the Obligors or any of them into external administration or otherwise (although the Scheme Companies are not aware of any potential Claims that may be available against any of those people).

(ii) **Unsecured Creditors' Scheme**

The Unsecured Creditors' Scheme provides for the Unsecured Scheme Creditors to waive, release and discharge each and every Claim which the Unsecured Scheme Creditors may have against, amongst others, the Obligors and the Released Individuals, in each case, in relation to or in connection with or in any way arising out of the:

- (A) the Unsecured Scheme Claims and any of the facts, matters, circumstances and events that arose, occurred in respect of or gave rise to the Unsecured Scheme Claims;
- (B) the Creditors' Schemes Finance Documents;

- (C) the preparation, negotiation, approval or implementation of the RSA and/or the Unsecured Creditors' Scheme and/or the Secured Creditors' Scheme and/or Members' Scheme and/or the Restructuring Documents and/or the Incremental Finance Documents and/or the Existing Backstop ABL; and
- (D) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.

For further information in relation to these waivers, releases and discharges please refer to section 8.11 of this Explanatory Statement.

Unsecured Scheme Creditors may consider that they have a potential Claim against one or more of the Obligors or Released Individuals, which would result in a recovery in favour of the Unsecured Scheme Creditors and may, accordingly, wish to vote against the Unsecured Creditors' Scheme and pursue that Claim, whether by placing the Scheme Companies or the Obligors or any of them into external administration or otherwise (although the Scheme Companies are not aware of any potential Claims that may be available against any of those people).

(e) **Benefits obtained by Centerbridge**

If the Recapitalisation Transactions are implemented:

- (i) The entities making up Centerbridge will between them continue to be the largest shareholder in BLY (or holder of CDIs if the Members' Scheme is approved) holding a percentage of the Shares (or CDIs) on issue of approximately 45.6% (pre-dilution resulting from issuing additional Shares under the Share Purchase Plan and Creditor Share Purchase Option, and any cancelled shares under the Selective Buy-Back); and
- (ii) under the CBP Director Nomination Agreement, Centerbridge will be entitled to exercise a right to nominate up to 5 directors for appointment to the board of BLY (or New BLY Parent). Please see section 6.8 above in relation to Centerbridge's director appointment rights. Currently, Centerbridge has nominated two directors on the Board of BLY.

Secured Scheme Creditors and Unsecured Scheme Creditors should bear in mind that Centerbridge holds 100% of the Term Loan A, the Term Loan B and a portion of the SSN Indenture Notes and its rights to receive its respective proportion of the Secured Scheme Consideration and Unsecured Scheme Consideration are the same as the rights of other Secured Scheme Creditors and Unsecured Scheme Creditors.

(f) **Benefits obtained by the Ad Hoc Group under the Recapitalisation Transactions**

If the Recapitalisation Transactions are implemented:

- (i) the entities making up the Ad Hoc Group will between them collectively hold a percentage of Shares (or CDIs, if the Members' Scheme is approved) on issue of approximately 53.6% (pre-dilution resulting from issuing additional Shares under the Share Purchase Plan and Creditor Share Purchase Option, and any cancelled shares under the Selective Buy-Back); and
- (ii) under the AHG Director Nomination Agreements, the Ad Hoc Group will be entitled to exercise a right to nominate up to three directors to be appointed

to the board of BLY (or New BLY Parent) from time to time. Please see section 6.8 above in relation to the Ad Hoc Group's director appointment rights.

Secured Scheme Creditors and Unsecured Scheme Creditors should bear in mind that the Ad Hoc Group holds:

- (i) 91.1% of the SSN Indenture Notes; and
- (ii) 94.0% of the SUN Indenture Notes,

and the Ad Hoc Group's rights to receive their respective proportion of the Secured Scheme Consideration and Unsecured Scheme Consideration are the same as the rights of other Secured Scheme Creditors and Unsecured Scheme Creditors.

(g) Shares and New Warrants in BLY (or New BLY Parent)

(i) Secured Creditors' Scheme

The Secured Creditors' Scheme, if implemented, will result in the Secured Scheme Creditors holding Shares.

The Claims of the Secured Scheme Creditors as BLY Shareholders (or holders of CDIs) will rank behind the Claims of any secured or unsecured creditors of BLY (or New BLY Parent). As a BLY Shareholder (or holder of CDIs), any returns (in the form of dividends or capital returns) are dependent on the financial performance of BLY (or New BLY Parent) and the amount which the BLY Board (or board of New BLY Parent) determines should be distributed to BLY Shareholders (or the holders of CDIs). As debt holders, the return to the Secured Scheme Creditors under the Secured Debt is in the form of interest, which is a contractual right which takes priority over the rights of BLY Shareholders (or the holders of CDIs).

In addition, some of the Secured Scheme Creditors may be subject to prudential requirements which impose obligations and requirements in connection with holding Shares (or CDIs) which would not apply to the holding of debt.

(ii) Unsecured Creditors' Scheme

The Unsecured Creditors' Scheme, if implemented, will result in the Unsecured Scheme Creditors holding Shares (or CDIs) and, in respect of the SUN Noteholders, New Warrants.

The Claims of the Unsecured Scheme Creditors as BLY Shareholders (or holders of CDIs) will rank behind the Claims of any secured or unsecured creditors of BLY (or New BLY Parent). As a BLY Shareholder (or holder of CDIs), any returns (in the form of dividends or capital returns) are dependent on the financial performance of BLY (or New BLY Parent) and the amount which the BLY Board (or board of New BLY Parent) determines should be distributed to BLY Shareholders (or the holders of CDIs). As debt holders, the return to the Unsecured Scheme Creditors under the Unsecured Debt is in the form of interest, which is a contractual right which takes priority over the rights of BLY Shareholders (or holders of CDIs).

In respect of a SUN Noteholder who receives New Warrants, it will not be issued with Shares (or CDIs) in connection with the New Warrants unless and until it decides to exercise its right under the New Warrants to buy Shares (or CDIs) at the relevant exercise price set out in the New Warrant. Accordingly,

the SUN Noteholders will not be entitled to any returns (in the form of dividends or capital returns in relation to owning Share (or CDIs)) in relation to the New Warrants unless and until it exercises its right to buy Shares (or CDIs). Further, the exercise price in the New Warrant will be set in accordance with the terms of the New Warrants, while the price of the Shares (or CDIs) may fluctuate over time so a SUN Noteholders may not consider there to be any economic value in exercising its right to buy Shares (or CDIs) at a particular point in time.

In addition, some of the Unsecured Scheme Creditors may be subject to prudential requirements which impose obligations and requirements in connection with holding Shares and/or New Warrants (if applicable) which would not apply to the holding of debt.

(h) **BLY's business**

There are risks associated with holding equity securities in BLY. No assurances can be given in respect of the future performance or prospects of BLY, the value of, or return on, Shares in BLY or the ability of any BLY Shareholder to sell their Shares in the future.

(i) **Takeover restrictions**

BLY is an ASX listed public company and, as such, is subject to the takeover regulations imposed by Chapter 6 of the Corporations Act. Chapter 6 imposes certain restrictions on the acquisition of "relevant interests" in Shares which will apply to:

- (i) the shareholdings of the Secured Scheme Creditors should the Secured Creditors' Scheme be implemented; and
- (ii) the shareholdings of the Unsecured Scheme Creditors should the Unsecured Creditors' Scheme be implemented.

These include the restrictions set out below.

Australia

Under Chapter 6 of the Corporations Act, the following restrictions apply to the acquisition of "relevant interests" in Shares:

- (i) a person cannot acquire a relevant interest in Shares if, because of that acquisition, that person's (or another person's) voting power in BLY increases:
 - (A) from 20% or below, to more than 20%; or
 - (B) from a starting point that is above 20% and below 90%,
other than by the permitted exceptions under the Corporations Act (the **Takeover Prohibitions**); and
- (ii) becoming associated with other BLY Shareholders, in relation to matters such as voting Shares and determining appointments to the BLY Board, where the aggregated shareholdings of the associated BLY Shareholders would breach the Takeovers Prohibition.

A "relevant interest" under the Corporations Act is a broad concept which focuses on the person's ability to control shares in a company rather than on direct ownership. Generally speaking, a person will have a relevant interest in securities where they

are the holder of the securities, where they can exercise or control the voting rights attached to those securities or dispose of, or control the disposal of, those securities.

Importantly, in the context of the Takeover Prohibitions, a person's "voting power" in BLY is calculated by aggregating the number of Shares in which that person has a relevant interest with the number of Shares in which each person who is an "associate" of that person has a relevant interest. Generally speaking, two or more persons will be taken to be associates in relation to BLY if:

- (i) they are body corporates belonging to the same corporate group;
- (ii) they have entered into an agreement, arrangement or understanding for the purpose of controlling or influencing the composition of the BLY Board or the conduct of BLY's affairs; or
- (iii) they are acting, or proposing to act, "in concert" in relation to BLY's affairs.

While the acquisitions of the Shares by:

- (i) the Secured Scheme Creditors pursuant to the Secured Creditors' Scheme; and
- (ii) the Unsecured Scheme Creditors pursuant to the Unsecured Creditors' Scheme;

fall within exceptions to the Takeover Prohibitions (see items 7 and 17 of section 611 of the Corporations Act), the restrictions and other legal considerations outlined above will apply in respect of any increases to the voting power of any such person following implementation of the Secured Creditors' Scheme or Unsecured Creditors' Scheme (as applicable), except where such increase is permitted by the exceptions to the Takeover Prohibitions outlined in section 611 of the Corporations Act. An example of where these restrictions would apply is to the exercise of a warrant by any such person.

Where the Members' Scheme is approved and implemented, restrictions in relation to the acquisition of CDIs in respect of shares in New BLY Parent will differ to those under Australian law. The restrictions will be governed by Canadian law, which are also summarised below.

Canada

A take-over bid is defined in National Instrument 62-104 – Take-Over Bids and Issuer Bids (**NI 62-104**) as an offer to acquire the outstanding voting securities or equity securities of a class made to one or more persons or companies in a local jurisdiction (being a jurisdiction of Canada) or whose last address on the books of the target company is in the local jurisdiction, where the securities subject to the offer, together with the offeror's securities, constitute 20% or more of the outstanding securities of the class at the date of the offer to acquire, but does not include a step in an amalgamation, merger, reorganisation or plan of arrangement that requires approval by a vote of security holders.

The definition of take-over bid is broad and applies to offers for:

- voting securities, which are securities (other than debt securities) of an issuer that carry a voting right under all circumstances or under some circumstances that have occurred and are continuing; and

- equity securities, which are securities of an issuer that carry a residual right to participate in the earnings of an issuer and, on liquidation or winding up of the issuer, in its assets.

A take-over bid under Canadian securities legislation includes offers to purchase, solicitations of offers to sell, and acceptances of offers to sell (whether or not such offers have been solicited).

Subject to certain exemptions, the takeover bid rules require, among other things, the mailing of a takeover bid circular to shareholders of the target company and extensive disclosure requirements, beginning with 'early warning' disclosure required when an acquirer crosses a 10% ownership threshold with further disclosure required for additional purchases of 2% or more.

Takeover bids must treat all shareholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 105 days from the date of the mailing of the takeover bid circular, after which time if at least 50% of the outstanding securities that are subject to the bid have been deposited and not withdrawn, then the all securities deposited under the offer may be taken up and the offer must be extended for a further 10 days.

(j) **Notification Requirements**

As BLY Shareholders, Secured Scheme Creditors and Unsecured Scheme Creditors will be subject to certain ongoing notification requirements. These include:

- (i) (*Australia*) the notifications required by the Corporations Act; and
- (ii) (*Canada*) where the Members' Scheme is approved and implemented, the notifications that may be required if and when New BLY Parent becomes a reporting issuer under applicable Canadian securities laws,

in each case as summarised in the following table:

Item	Australia	Canada
Notice of Initial Substantial Shareholder	In circumstances where they (together with their associates) have relevant interests in voting Shares or interests representing 5% or more of the total votes of BLY, (or if the person has made a takeover bid for voting Shares or interests in BLY) (this is called a Substantial Holding), by lodging an ASIC Form 603 "Notice of Initial Substantial Shareholder" with BLY and ASX	Early warning rules require an offeror who acquires beneficial ownership of, or control or direction over, voting or equity securities of any class of a reporting issuer (or securities convertible into voting or equity securities) that together with the acquiror's securities of that class, constitutes 10% or more of the outstanding securities of a class must promptly and in no event later than the opening of trading on the following business day issue and file a news release containing prescribed information and then file within 2 business days of the acquisition an early warning report under section 3.1 of

Item	Australia	Canada
		National Instrument 62-103 – The Early Warning Systems and Related Take-Over Bid and Insider Reporting Requirements. An acquiror must not acquire any additional securities until at least one business day after the early warning report is filed.
Notice of Change of Interests of Substantial Shareholder	For each 1% (or more) change in their Substantial Holding, by lodging a Form 604 "Notice of Change of Interests of Substantial Shareholder" with BLY and ASX	Generally, further disclosure and early warning reports are required for additional purchases or dispositions of 2% or more of the outstanding security for which such early warning disclosure is required.
Notice of Ceasing to be a Substantial Shareholder	If they cease to have a Substantial Holding (that is, their relevant interest in voting Shares or interests in the total votes of BLY, falls below 5%), by lodging a Form 605 "Notice of Ceasing to be a Substantial Shareholder" with BLY and ASX.	An acquiror's obligations to file a news release and an early warning report ceases once the acquiror's holdings have decreased below 10% and such decrease was addressed in a news release and early warning report.
Timing	Generally speaking, the forms set out above must be lodged within two Business Days after the Secured Scheme Creditor (or their associate, as the case may be) or Unsecured Scheme Creditor (or their associate, as the case may be) becomes aware of either the transaction effecting the change or the change in percentage holding itself.	See above for timing requirements for news release and early warning filings.

Secured Scheme Creditors and Unsecured Scheme Creditors should seek their own independent legal advice on the effect of the Corporations Act on the Scheme Companies and, if the Members' Scheme is approved, the Canadian law equivalent.

These potential disadvantages of the BLY Creditor Schemes must be considered in light of the potential advantages of the BLY Creditor Schemes, which are discussed in section 10.1 above.

Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

Secured Scheme Creditors and Unsecured Scheme Creditors are not obliged to follow the recommendation of the Directors of the Scheme Companies and may decide to vote against the BLY Creditor Schemes (as applicable).

11. ADDITIONAL INFORMATION

11.1 Material interests of Directors

The current directors of the Scheme Companies are set out in the table below (together the **Directors**).

Director	BLY	BLA	BLI	BLY Issuer	Votrant	BCM	BLY US
Jeffrey Olsen	✓	✓	✓	✓	✓	✓	✓
Jason Ireland	✓						
Robert Smith	✓						
James Kern	✓						
Rubin McDougal	✓						
Tye Burt	✓						
Kevin McArthur	✓						
Conor Tochilin	✓						
Shannon Emrick		✓	✓	✓	✓		
Samuel McMillan		✓	✓	✓	✓		
Nora Pincus		✓	✓	✓	✓	✓	✓
Kari Plaster						✓	✓
Miguel Desdin						✓	✓

Except as disclosed below or elsewhere in this Explanatory Statement, as at the date of this Explanatory Statement, no Director of either of the Scheme Companies has any interest, whether as a Director, member or creditor of the Scheme Companies or otherwise, that is material in relation to the BLY Creditor Schemes, and the BLY Creditor Schemes have no

effect on the interests of any Director of the Scheme Companies that is different to the effect on the like interests of other persons.

The current ownership of Shares by each Director is disclosed and regularly updated on BLY's ASX website. All the Directors currently hold Shares in BLY, with the exception of:

- (a) Conor Tochilin (who is employed by an entity related to the CBP parties and does not receive director fees and holds no Shares);
- (b) Shannon Emrick;
- (c) Samuel McMillan; and
- (d) Nora Pincus.

The number, description and amount of BLY marketable securities controlled or held by, or on behalf of, each of the Directors as at the date of this Explanatory Statement are set out the following table:

Director	Number Of Shares	Number of rights and options
Mr Jeffrey Olsen President and Chief Executive Officer	271,872	1,081 BLY Options
Mr Kevin McArthur Non-Executive Chairman	428,796	None
Mr Tye Burt Non-Executive Director	260,851	None
Mr James Kern Non-Executive Director	202,602	None
Mr Rubin McDougal Non-Executive Director	165,835	None
Mr Jason Ireland Non-Executive Director	23,731	None
Mr Robert Smith Non-Executive Director	23,731	None
Mr Conor Tochilin Non-Executive Director	None	None

The Directors' Shares will be subject to the same dilution and treated as any other individual BLY Shareholder in the proposed restructuring.

No director of any Scheme Company (excluding BLY) holds any shares in any Scheme Company (excluding BLY).

On implementation of the BLY Creditor Schemes, and in accordance with the terms of the AHG Director Nomination Agreements and CBP Director Nomination Agreement, the number of Directors will be nine including the Managing Director. Each AHG Member will be entitled to nominate three AHG Nominee Directors and CBP will nominate five CBP Nominee Directors.

If the BLY Creditor Schemes are implemented, each Secured Scheme Creditor and Unsecured Scheme Creditor will release certain people who were Directors or officers of any Obligor (being those Directors or officers who sign a Released Individuals Deed Poll in the form of Schedule 8 to the Secured Creditors' Scheme and in the form of Schedule 9 to the Unsecured Creditors' Scheme) from Claims as outlined in section 8.11 above.

11.2 **Material interests of Scheme Administrators**

The Scheme Administrators will be entitled to remuneration for their services as explained in section 8.18. The hourly rates which will apply for the Scheme Administrators' services are set out at Annexure F.

11.3 **Rights and liabilities of Shares**

The Shares proposed to be issued to Secured Scheme Creditors and Unsecured Scheme Creditors will be of the same class and will, once issued, rank equally in all respects with existing Shares (including equal voting rights and equal rights to dividends, profits and capital). The rights and liabilities attaching to the Shares are identical in all material respects to the terms of the existing Shares.

If the Members' Scheme is approved and implemented, all shares held by the Secured Scheme Creditors and Unsecured Scheme Creditors (including the Shares) will be exchanged for New BLY Parent CDIs, except where that creditor is an Ineligible Foreign Shareholder (as discussed in section 7.1 above). The CDIs issued to Secured Scheme Creditors and Unsecured Scheme Creditors will be of the same class and will, once issued, rank equally in all respects (including equal voting rights and equal rights to dividends, profits and capital). The rights and liabilities attaching to the CDIs are identical in all material respects.

The key rights in relation to the Shares or New BLY Parent CDIs will be governed by:

- (a) (*Australia*) – where the Members' Scheme is not implemented, rights as determined under BLY's Constitution, the Corporations Act, and the ASX Listing Rules; or
- (b) (*Canada*) - where the Members' Scheme is approved and implemented, the New BLY Parent's Constitution and Canadian law,

in each case summarised in the following table. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders under the current BLY Constitution or the constitution adopted by the New BLY Parent (the **New BLY Parent Constitution**). The BLY Constitution is available on BLY's website (<https://www.boartlongyear.com/wp-content/uploads/Constitution-of-Boart-Longyear-Limited1.pdf>). The New BLY Parent's constating documents are available on request and will contain rights as summarised below.

Item	Australia (relevant where the Members' Scheme is <u>not</u> approved)	Canada (relevant where the Members' Scheme is approved and implemented)
Voting Rights	Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every BLY Shareholder present in person or by proxy at a general meeting of BLY has one vote on a show of hands and one vote per Share held on a poll.	Subject to any rights or restrictions for the time being attached to any class or classes of New BLY Parent Shares, every New BLY Parent Shareholder present in person or by proxy at a meeting of New BLY Parent Shareholders will have one vote per New BLY Parent Share by a show of hands, except where a ballot is demanded by a Shareholder or proxyholder entitled to vote at the meeting.
Meetings and notices	<p>Each BLY Shareholder is entitled to receive notice of and to attend and vote at general meetings of BLY and to receive all notices, accounts and other documents required to be sent to BLY Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.</p> <p>The quorum for a meeting of members is two BLY Shareholders.</p>	<p>Each New BLY Parent Shareholder will be entitled to receive notice of and to attend and vote at general meetings of New BLY Parent Shareholders and to receive all notices, financial statements and other documents required to be sent to New BLY Parent Shareholders under its constituting documents, the OBCA or the ASX Listing Rules.</p> <p>The quorum for a meeting of New BLY Parent Shareholders is New BLY Parent Shareholders holding in the aggregate at least 25% of the voting rights attached to the issued New BLY Parent Shares entitled to be voted at the meeting are present in person or by proxy.</p>
Transfers	<p>Subject to the Constitution, the Corporations Act, the ASX Settlement Rules and the ASX Listing Rules, a BLY Shareholder may transfer all or any Shares by:</p> <p>(a) a written transfer in the usual or common form or in any form the directors of BLY may prescribe or in a particular case accept, properly stamped (if necessary) and delivered to BLY.</p> <p>(b) a proper ASX Settlement Pty Limited transfer, which is to</p>	<p>Subject to the articles and by-laws of New BLY Parent, the OBCA, the ASX Settlement Rules and the ASX Listing Rules, a New BLY Parent Shareholder may transfer all or any New BLY Parent Shares (represented by New BLY Parent CDIs) by:</p> <p>(a) a written transfer in the usual or common form or in any form the directors of New BLY Parent may prescribe or in a particular case accept, properly stamped (if</p>

Item	Australia (relevant where the Members' Scheme is <u>not</u> approved)	Canada (relevant where the Members' Scheme is approved and implemented)
	<p>be in the form required or permitted by the Corporations Act or the ASX Settlement Rules; or</p> <p>(c) any other electronic system established or recognised by the ASX Listing Rules in which BLY participates in accordance with the rules of that system.</p>	<p>necessary) and delivered to New BLY Parent.</p> <p>(b) a proper ASX Settlement and Transfer Corporation Pty Ltd transfer, which is to be in the form required or permitted by the OBCA or the ASX Settlement Rules; or</p> <p>(c) any other electronic system established or recognised by the ASX Listing Rules in which New BLY Parent participates in accordance with the rules of that system.</p>
Powers of Directors	The BLY Constitution provides that the directors will manage, or cause the management of, the business of BLY. The directors may exercise, or cause to be exercised, all powers of BLY that are not, by the Corporations Act or by the Constitution, required to be exercised by BLY in general meeting.	The OBCA and the New BLY Parent constating documents provide that the directors must manage or supervise the management of the business and affairs of New BLY Parent.
Shareholder Liability	As the Shares being offered pursuant to the BLY Creditor Schemes are fully paid shares in BLY, they are not subject to any calls for money by the BLY Board.	The New BLY Parent Shares will be fully paid and non-assessable shares in New BLY Parent.
Alteration of the Constitution	The Constitution can only be amended by a special resolution passed by at least 75% of the total number of votes cast by BLY Shareholders voting in person, by proxy, by attorney or in the case of corporate BLY Shareholders, by corporate representative.	The articles of New BLY Parent can only be amended by a special resolution passed by at least 66 2/3 rd % of the total number of votes cast by New BLY Parent Shareholders voting in person or by proxy.

11.4 Certified copy of Financial Statements

Certified copies of the financial statements in respect of the Scheme Companies to be lodged with ASIC as required by paragraph 8203(b) of Schedule 8 of the Corporations Regulations are set out at Annexure D to this Explanatory Statement.

11.5 **Report On Company Activities and Property – ASIC Form 507**

The report and information in respect of the Scheme Companies required by ASIC Form 507 and paragraph 8203(a) of Schedule 8 of the Corporations Regulations is set out at Annexure E to this Explanatory Statement.

11.6 **ASX Spread Requirements**

The value and number of registered shareholdings in BLY will be affected by certain of the Recapitalisation Transactions including the Selective Buy-Back, if it proceeds. Some of those transactions may increase the value of a registered shareholding, such as participation in the Share Purchase Plan. Other transactions may reduce the value or the number of registered shareholdings, such as the issue of shares under the BLY Creditor Schemes or participation by a holder in the Selective Buy-Back.

If in the view of ASX, including as a consequence of those transactions, there is not an orderly and liquid market in Shares then ASX may require BLY to obtain sufficient 'spread' so that an orderly and liquid market does exist, or take other action such as to suspend the quotation on ASX of the Shares. To the extent BLY has a discretion, for example in the allocation of Shares under the Share Purchase Plan, BLY intends, to the extent necessary, to exercise that discretion so as to help achieve an orderly and liquid market in the Shares.

11.7 **Certain ongoing litigation**

Certain of BLY's subsidiaries are defendants to ongoing litigation in Australia in connection with alleged patent infringement. The Group is actively defending this litigation and denies the allegations made by the various plaintiffs. In the event that the Group is unsuccessful in defending the litigation, the Group does not expect that outcome will have any material impact to its financial position and has made appropriate provisions.

12. THE MEETINGS FOR THE BLY CREDITOR SCHEMES AND VOTING PROCEDURES

This section 12 of this Explanatory Statement contains detailed information in relation to the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting (together, the **Scheme Meetings**), including the procedures for voting at the respective Scheme Meetings.

Except where indicated to the contrary, the information set out below relates to both Scheme Meetings.

12.1 Time and place

(a) Secured Creditors' Scheme Meeting

The Secured Creditors' Scheme Meeting will be held to consider and, if thought fit, approve the Secured Creditors' Scheme at:

10.30 am on 31 August 2021

at

Ashurst Australia, 5 Martin Place, Sydney, NSW 2000, Australia

Secured Scheme Creditors (and their proxies, attorneys and corporate representatives, as applicable) who are unable to, or do not wish to, attend the Secured Creditors' Scheme Meeting in person may participate online through an online platform. Further details in relation to the online platform are set out at section 12.6 below.

(b) Unsecured Creditors' Scheme Meeting

The Unsecured Creditors' Scheme Meeting will be held to consider and, if thought fit, approve the Unsecured Creditors' Scheme at:

11.30 am on 31 August 2021

at

Ashurst Australia, 5 Martin Place, Sydney, NSW 2000, Australia

Unsecured Scheme Creditors (and their proxies, attorneys and corporate representatives, as applicable) who are unable to, or do not wish to, attend the Unsecured Creditors' Scheme Meeting in person may participate online through an online platform. Further details in relation to the online platform are set out at section 12.6 below.

12.2 Chairperson

It is intended that both Scheme Meetings will be chaired by Jason Ireland, or such other person as the Court may specify when making its orders under section 411(1) of the Corporations Act.

12.3 Agenda for the Scheme Meetings

The proposed agenda for both Scheme Meetings is as follows:

- (a) the Chairperson will address those present at the respective Scheme Meeting, providing an explanation of the background to and purpose of the Scheme Meeting;

- (b) there will be a general presentation in relation to the applicable proposed BLY Creditor Scheme (i.e. the Secured Creditors' Scheme or the Unsecured Creditors' Scheme) and attendees will be given a reasonable opportunity to ask questions in relation to the applicable proposed BLY Creditor Scheme;
- (c) the procedure for voting on the applicable proposed BLY Creditor Scheme will be explained; and
- (d) the resolution to approve the applicable proposed BLY Creditor Scheme will be put to the Secured Scheme Creditors or Unsecured Scheme Creditors (as applicable) present in person or by proxy, attorney or corporate representative at the relevant Scheme Meeting for a vote.

12.4 **Classes of creditors**

(a) **Secured Creditors' Scheme Meeting**

In making its orders under section 411(1) of the Corporations Act to convene the Secured Creditors' Scheme Meeting, the Court did not order that the Secured Scheme Creditors be divided into separate classes. As such, all Secured Scheme Creditors will vote as one class.

(b) **Unsecured Creditors' Scheme Meeting**

In making its orders under section 411(1) of the Corporations Act to convene the Unsecured Creditors' Scheme Meeting, the Court did not order that the Unsecured Scheme Creditors be divided into separate classes. As such, all Unsecured Scheme Creditors will vote as one class.

12.5 **Eligibility and entitlement to vote**

(a) **Secured Creditors' Scheme Meeting**

Only Secured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Secured Creditors' Scheme Meeting.

For the purposes of determining admitted claims as part of the Requisite Majority calculations at the Secured Creditors' Scheme Meeting, the Chairperson will have regard only to Secured Debt owed to those Secured Scheme Creditors present and voting (i.e. not any Unsecured Debt owed to those Secured Scheme Creditors), specifically:

- (i) in respect of TLA Purchasers present and voting, their respective TLA Secured Debt;
- (ii) in respect of TLB Purchasers present and voting, their respective TLB Secured Debt; and
- (iii) in respect of SSN Noteholders present and voting, their respective SSN Secured Debt.

Please note that Secured Scheme Creditors who hold multiple forms of Secured Debt as at the Voting Entitlement Record Date (e.g. combinations of TLA Secured Debt, TLB Secured Debt and/or SSN Secured Debt) must ensure they complete all of the steps set out below and return all of the proof of debt forms and/or account holder letters referred to below (as applicable) for each type of Secured Debt held, in order to be eligible to vote at the Secured Creditors' Scheme Meeting in relation to the entirety of their Secured Debt.

(b) **Unsecured Creditors' Scheme Meeting**

Only Unsecured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Unsecured Creditors' Scheme Meeting.

For the purposes of determining admitted claims as part of the Requisite Majority calculations at the Unsecured Creditors' Scheme Meeting, the Chairperson will have regard only to Unsecured Debt owed to those Unsecured Scheme Creditors present and voting (i.e. not any Secured Debt owed to those Unsecured Scheme Creditors), specifically:

- (i) in respect of TLA Purchasers present and voting, their respective TLA Unsecured Debt;
- (ii) in respect of TLB Purchasers present and voting, their respective TLB Unsecured Debt;
- (iii) in respect of SSN Noteholders present and voting, their respective SSN Unsecured Debt; and
- (iv) in respect of SUN Noteholders present and voting, their respective SUN Debt.

Please note that Unsecured Scheme Creditors who hold multiple forms of Unsecured Debt as at the Voting Entitlement Record Date (e.g. combinations of TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt and/or SUN Debt) must ensure they complete all of the steps set out below and return all of the proof of debt forms and/or account holder letters referred to below (as applicable) for each type of Unsecured Debt held, in order to be eligible to vote at the Unsecured Creditors' Scheme Meeting in relation to the entirety of their Unsecured Debt.

(c) **Both Scheme Meetings**

Voting at both Scheme Meetings will be conducted by poll.

Voting is not compulsory. However:

- (i) Secured Scheme Creditors who do not vote at the Secured Creditors' Scheme Meeting will be bound by the Secured Creditors' Scheme, provided that the Secured Creditors' Scheme is agreed to by the Requisite Majority and approved by the Court; and
- (ii) Unsecured Scheme Creditors who do not vote at the Unsecured Creditors' Scheme Meeting will be bound by the Unsecured Creditors' Scheme, provided that the Unsecured Creditors' Scheme is agreed to by the Requisite Majority and approved by the Court.

DTC (and its nominee, Cede & Co.) is included as a Secured Scheme Creditor and Unsecured Scheme Creditor to obtain the benefit of certain provisions of the BLY Creditor Schemes and for technical reasons. DTC (through its nominee, Cede & Co.) is the registered holder of the SSN Indenture Notes and SUN Indenture Notes. Accordingly, if the BLY Creditor Schemes become Effective, DTC will be a Secured Scheme Creditor (solely in that capacity, for the purposes of the Secured Creditors' Scheme) and an Unsecured Scheme Creditor (solely in that capacity, for the purposes of the Unsecured Creditors' Scheme), as it receives principal and interest on the SSN Indenture Notes and SUN Indenture Notes.

To avoid double counting of interests in the SSN Indenture Notes at the Secured Creditors' Scheme Meeting and in the SSN Indenture Notes and SUN Indenture Notes

at the Unsecured Creditors' Scheme Meeting, the voting procedure will be based on Cede & Co., in its capacity as nominee of DTC, in accordance with its usual procedures, appointing the Account Holders as its proxies under the SSN Omnibus Proxy and SUN Omnibus Proxy in respect of the amount of the SSN Indenture Notes and SUN Indenture Notes shown on its records maintained in book-entry form as being held by them as at the Voting Entitlement Record Date.

12.6 **Attending Scheme Meetings**

(a) **Attending in person**

If Secured Scheme Creditors or Unsecured Scheme Creditors (or their proxies, attorneys or corporate representatives, as applicable) plan to attend the Secured Creditors' Scheme Meeting and/or Unsecured Creditors' Scheme Meeting in person, they should arrive at the venue at least 30 minutes before the scheduled time for commencement of the applicable Scheme Meeting (details of which are set out above at section 12.1).

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, the Scheme Companies encourage Secured Scheme Creditors and Unsecured Scheme Creditors to attend the Scheme Meetings online or lodge proxies in advance of the Scheme Meetings, rather than attending the Scheme Meetings in person.

For the health and safety of all attendees, the Scheme Companies will be observing social distancing and any other government requirements that apply at the time of the Scheme Meetings. The Scheme Companies will be monitoring the COVID-19 situation closely and if it becomes necessary or appropriate to change the way the Scheme Meetings will be held or conducted, information will be provided on BLY's website at <http://www.boartlongyear.com/> and lodged with ASX.

(b) **Attending online**

Secured Scheme Creditors and Unsecured Scheme Creditors (or their proxies, attorneys or corporate representatives, as applicable) who are unable to, or do not wish to, attend the applicable Scheme Meetings physically will be able to participate online from their computer or mobile device.

Any Secured Scheme Creditor or Unsecured Scheme Creditor who wishes to exercise this option must e-mail the Information Agent (at Boartscheme@primeclerk.com) in advance of the Scheme Meetings, notifying the Information Agent of their desire to participate in (or, if applicable, for their proxies, attorneys or corporate representatives to participate in) the applicable Scheme Meeting(s) through the online platform.

Upon receipt of such e-mail notification, the Information Agent will provide the Secured Scheme Creditor or Unsecured Scheme Creditor with:

- (i) a URL link and password for the applicable Scheme Meeting (noting that there will be separate URL links and passwords for the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting respectively); and
- (ii) further instructions as to how, and when, to register for online access to the applicable Scheme Meeting.

Any Secured Scheme Creditor or Unsecured Scheme Creditor who intends to attend the Secured Creditors' Scheme Meeting and/or Unsecured Creditors' Scheme Meeting via the online platform must register their intention to do so beforehand.

Registration for each Scheme Meeting will open no later than ten (10) days prior to the start of each Scheme Meeting.

Participating in the Scheme Meetings via the online platform will allow Secured Scheme Creditors and Unsecured Scheme Creditors (or their proxies, attorneys or corporate representatives, as applicable) to listen to the applicable Scheme Meetings live, ask questions and vote directly through the online platform in real time.

We recommend logging on to the online platform at least fifteen (15) minutes prior to the scheduled start time of the applicable Scheme Meeting.

More information regarding online participation at the Scheme Meetings (including how to vote and ask questions online during the Scheme Meetings) is available at cases.primeclerk.com/boart2021.

If you experience any technical difficulties whilst seeking to use the online platform, please contact the Information Agent via e-mail (at Boartscheme@primeclerk.com) or call 877-965-7990 (toll-free) or 929-203-3308 (international).

12.7 **How to vote at both Scheme Meetings – TLA Purchasers and TLB Purchasers**

(a) **Secured Creditors' Scheme Meeting**

TLA Purchasers and TLB Purchasers who constitute Secured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Secured Creditors' Scheme Meeting in relation to their TLA Secured Debt and TLB Secured Debt (as applicable).

In each case set out at sections 12.7(c)(i) (*Voting in person*) and 12.7(c)(ii) (*Voting by proxy, attorney or corporate representative*) below, such TLA Purchasers and TLB Purchasers must complete a TLA Proof of Debt Form (set out in Annexure H to this Explanatory Statement) or TLB Proof of Debt Form (set out in Annexure J to this Explanatory Statement) (as applicable) in accordance with the instructions set out in the TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) and ensure that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish the amount of the relevant TLA Purchaser's or TLB Purchaser's Claim against the Scheme Companies in relation to their respective outstanding TLA Secured Debt and/or TLB Secured Debt for voting purposes.

TLA Purchasers and TLB Purchasers should also consider section 12.10 below in relation to the adjudication of TLA Proof of Debt Forms and TLB Proof of Debt Forms by the Chairperson.

(b) **Unsecured Creditors' Scheme Meeting**

TLA Purchasers and TLB Purchasers who constitute Unsecured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Unsecured Creditors' Scheme Meeting in relation to their TLA Unsecured Debt and TLB Unsecured Debt (as applicable).

In each case set out at sections 12.7(c)(i) (*Voting in person*) and 12.7(c)(ii) (*Voting by proxy, attorney or corporate representative*) below, such TLA Purchasers and TLB Purchasers must complete a TLA Proof of Debt Form (set out in Annexure H to this Explanatory Statement) or TLB Proof of Debt Form (set out in Annexure J to this Explanatory Statement) (as applicable) in accordance with the instructions set out in the TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable) and ensure that it is received by the Information Agent by no later than 4.00 pm on 25 August

2021 (New York City Time) in order to establish the amount of the relevant TLA Purchaser's or TLB Purchaser's Claim against the Scheme Companies in relation to their respective outstanding TLA Unsecured Debt and/or TLB Unsecured Debt for voting purposes.

TLA Purchasers and TLB Purchasers should also consider section 12.10 below in relation to the adjudication of TLA Proof of Debt Forms and TLB Proof of Debt Forms by the Chairperson.

(c) **Both Scheme Meetings**

(i) **Voting in person**

A TLA Purchaser or TLB Purchaser who wishes to vote in person on the BLY Creditor Schemes should attend both Scheme Meetings, either physically or online.

As discussed at section 12.7(c)(ii) below, a TLA Purchaser or TLB Purchaser may appoint a proxy, attorney or (if it is a corporation) a corporate representative to attend the Scheme Meetings on its behalf.

(ii) **Voting by proxy, attorney or corporate representative**

If a TLA Purchaser or TLB Purchaser cannot or does not wish to attend the Scheme Meetings, but still wishes to vote, they may vote by proxy (which can be the Chairperson or another person), attorney or, in the case of a corporate TLA Purchaser or TLB Purchaser, by corporate representative.

If a TLA Purchaser or TLB Purchaser appoints a proxy, they will need to complete and lodge a TLA Proxy Form or TLB Proxy Form (as applicable) in relation to the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting (as set out in Annexures G and I), in accordance with the instructions on the respective forms, so that they are received by the Information Agent by 4.00 pm on 25 August 2021 (New York City Time).

Any attorney or corporate representative attending Scheme Meetings in person should bring to the Scheme Meetings evidence of his or her appointment including evidence of the authority under which the appointment was made. Any attorney or corporate representative attending Scheme Meetings through the online platform should e-mail such evidence to the Information Agent (at Boartscheme@primeclerk.com) prior to the Scheme Meetings.

12.8 How to vote at both Scheme Meetings – SSN Noteholders

SSN Noteholders who constitute Secured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Secured Creditors' Scheme Meeting in relation to their SSN Secured Debt.

SSN Noteholders who constitute Unsecured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Unsecured Creditors' Scheme Meeting in relation to their SSN Unsecured Debt.

Such SSN Noteholders who wish to vote at both Scheme Meetings must ensure that they instruct their Account Holder to:

- (a) complete a SSN Account Holder Letter (set out in Annexure K to this Explanatory Statement) on their behalf and in accordance with their instructions; and

- (b) lodge the SSN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish:
 - (i) for the purposes of the Secured Creditors' Scheme Meeting, the amount of the relevant SSN Noteholder's Claim against the Scheme Companies in relation to their outstanding SSN Secured Debt for voting purposes; and
 - (ii) for the purposes of the Unsecured Creditors' Scheme Meeting, the amount of the relevant SSN Noteholder's Claim against the Scheme Companies in relation to their outstanding SSN Unsecured Debt for voting purposes.

SSN Noteholders should also consider section 12.10 below in relation to the adjudication of SSN Account Holder Letters by the Chairperson.

(a) **Voting in person**

Any SSN Noteholder who wishes to vote in person on the BLY Creditor Schemes will need to instruct their Account Holder to confirm this in the SSN Account Holder Letter to be lodged with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

As discussed at section 12.1 above, SSN Noteholders may attend the Scheme Meetings in person or online.

As discussed at section 12.8(b) below, a SSN Noteholder may also appoint a proxy, attorney or (if it is a corporation) a corporate representative to attend the Scheme Meetings on its behalf.

(b) **Voting by proxy, attorney or corporate representative**

If a SSN Noteholder cannot or does not wish to attend the Scheme Meetings, but still wishes to vote, they will need to instruct their Account Holder to confirm in the SSN Account Holder Letter that the SSN Noteholder either:

- (i) appoints the Chairperson or another person as proxy; or
- (ii) appoints an attorney or (if it is a corporation) a corporate representative;

to attend and vote at the Scheme Meetings on behalf of the SSN Noteholder and as directed by the SSN Noteholder.

As stated above at section 12.8(b), SSN Account Holder Letters must be lodged with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

Any attorney or corporate representative attending Scheme Meetings in person should bring to the Scheme Meetings evidence of his or her appointment including evidence of the authority under which the appointment was made. Any attorney or corporate representative attending Scheme Meetings through the online platform should e-mail such evidence to the Information Agent (at Boartscheme@primeclerk.com) prior to the Scheme Meetings.

12.9 **How to vote at Unsecured Creditors' Scheme Meeting – SUN Noteholders**

SUN Noteholders who constitute Unsecured Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Unsecured Creditors' Scheme Meeting in relation to their SUN Debt.

Such SUN Noteholders who wish to vote at the at Unsecured Creditors' Scheme Meeting must ensure that they instruct their Account Holder to:

- (a) complete a SUN Account Holder Letter (set out in Annexure L to this Explanatory Statement) on their behalf and in accordance with their instructions; and
- (b) lodge the SUN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish for the purposes of the Unsecured Creditors' Scheme Meeting the amount of the relevant SUN Noteholder's Claim against the Scheme Companies in relation to their outstanding SUN Debt for voting purposes.

SUN Noteholders should also consider section 12.10 below in relation to the adjudication of SUN Account Holder Letters by the Chairperson.

(c) **Voting in person**

Any SUN Noteholder who wishes to vote in person on the Unsecured Creditors' Scheme will need to instruct their Account Holder to confirm this in the SUN Account Holder Letter to be lodged with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

As discussed at section 12.1 above, SUN Noteholders may attend the Unsecured Creditors' Scheme Meetings in person or online.

As discussed at section 12.9(d) below, a SUN Noteholder may appoint a proxy, attorney or (if it is a corporation) a corporate representative to attend the Unsecured Creditors' Scheme Meeting on its behalf.

(d) **Voting by proxy, attorney or corporate representative**

If a SUN Noteholder cannot or does not wish to attend the Unsecured Creditors' Scheme Meeting, but still wishes to vote, they will need to instruct their Account Holder to confirm in the SUN Account Holder Letter that the SUN Noteholder either:

- (i) appoints the Chairperson or another person as proxy; or
- (ii) appoints an attorney or (if it is a corporation) a corporate representative;

to attend and vote at the Unsecured Creditors' Scheme Meeting on behalf of the SUN Noteholder and as directed by the SUN Noteholder.

As stated above at section 12.9(b), SUN Account Holder Letters must be lodged with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

Any attorney or corporate representative attending Scheme Meetings in person should bring to the Scheme Meetings evidence of his or her appointment including evidence of the authority under which the appointment was made. Any attorney or corporate representative attending Scheme Meetings through the online platform should e-mail such evidence to the Information Agent (at Boartscheme@primeclerk.com) prior to the Scheme Meetings.

12.10 **Adjudication of TLA Proof of Debt Forms, TLB Proof of Debt Forms, SSN Account Holder Letters and SUN Account Holder Letters**

The Chairperson has power to admit (wholly or in part) or reject a Claim made in a TLA Proof of Debt Form, a TLB Proof of Debt Form, a SSN Account Holder Letter or a SUN Account Holder Letter, for the purposes of voting at the applicable Scheme Meetings.

The Chairperson will adjudicate upon the Secured Scheme Creditor's or Unsecured Scheme Creditor's Claim as set out in a TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter based on the information contained in or provided with the relevant form or letter, as well as the information known to the Chairperson and Information Agent. This may result in the Secured Scheme Creditor's or Unsecured Scheme Creditor's Claim being rejected, in whole or in part, or admitted for a higher or lower amount.

Any Secured Scheme Creditor or Unsecured Scheme Creditor who is aggrieved by the Chairperson's decision to admit or reject (in whole or in part) a Claim made in a TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter for voting purposes may appeal the decision in Court by application to the Court filed within 48 hours of the decision. Such applications are to be heard at the time and place scheduled for the Second Court Hearing.

The admission of a Secured Scheme Creditor's or Unsecured Scheme Creditor's Claim is for voting purposes only and does not constitute an admission of the existence or amount of the Claim against the Scheme Companies or any other person, and will not bind the Scheme Companies, the Secured Scheme Creditors or Unsecured Scheme Creditors concerned for any other purpose.

In the event of voluntary administration or liquidation of the Scheme Companies, the voluntary administrator or liquidator may adjudicate upon the Secured Scheme Creditor's or Unsecured Scheme Creditor's Claim, if any, on a different basis than that which is used to adjudicate on the Claim for the purpose of voting at the applicable Scheme Meeting, and therefore may admit Claims for a higher or lower amount. Secured Scheme Creditors and Unsecured Scheme Creditors are encouraged to obtain their own advice regarding the possible treatment of their Claims in a voluntary administration or liquidation scenario.

12.11 **Modification of BLY Creditor Schemes**

Secured Scheme Creditors may propose modifications to the Secured Creditors' Scheme at the Secured Creditors' Scheme Meeting.

Unsecured Scheme Creditors may propose modifications to the Unsecured Creditors' Scheme at the Unsecured Creditors' Scheme Meeting.

However, Secured Scheme Creditors and Unsecured Scheme Creditors should be aware that there are risks associated with modifying the terms of the Secured Creditors' Scheme or Unsecured Creditors' Scheme at the relevant Scheme Meetings. For more detail on these risks, refer to section 8.17 of this Explanatory Statement.

12.12 **Participating in the Creditor Share Purchase Option**

SUN Noteholders who wish to apply for new Shares under the Creditor Share Purchase Option must ensure that they complete the relevant section titled 'Creditor Share Purchase Option' in the SUN Account Holder Letter (set out in Annexure L to this Explanatory Statement) in accordance with the instructions set out in the SUN Account Holder Letter and ensure that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish their election to participate in the Creditor Share Purchase Option.

TLA Purchasers, TLB Purchasers and SSN Noteholders who wish to apply for New Shares under the Creditor Share Purchase Option must ensure that they:

- (a) in respect of the TLA Purchasers and TLB Purchasers, complete the relevant section titled 'Creditor Share Purchase Option' in the TLA Proof of Debt Form or TLB Proof of Debt Form, as applicable (set out in Annexure H and Annexure J respectively to this Explanatory Statement) in accordance with the instructions set out in the TLA Proof of Debt Form or TLB Proof of Debt Form and ensure that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish their election to participate in the Creditor Share Purchase Option; and
- (b) in respect of the SSN Noteholders, complete the relevant section titled 'Creditor Share Purchase Option' in the SSN Account Holder Letter (set out in Annexure K to this Explanatory Statement) in accordance with the instructions set out in the SSN Account Holder Letter and ensure that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time) in order to establish their election to participate in the Creditor Share Purchase Option.

By returning the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable), the relevant Participating SUN Noteholder or Other CSPO Participant will irrevocably agree to apply for, and pay the CSPO Issue Price for the Maximum Committed Securities indicated in the relevant TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) on the terms of this Explanatory Statement and the relevant form or letter (as applicable). This commitment is separate and additional to any other application to acquire Shares that such a Participating SUN Noteholder or Other CSPO Participant may make and any such other acquisition will not reduce the number of Maximum Committed Securities for which the relevant Participating SUN Noteholder or Other CSPO Participant may be required to apply.

Each relevant Participating SUN Noteholder or Other CSPO Participant who elects to participate in the Creditor Share Purchase Option will be sent an Allocation Confirmation following 4.00 pm on 17 September 2021 (New York City Time) based on each such Scheme Creditors' Maximum Committed Securities and the CSPO Allocation Principles described in section 8.8. The Allocation Confirmation will include details of each such participant's settlement obligations.

If a Participating SUN Noteholder or Other CSPO Participant (or, in each case, their Permitted CSPO Nominee, if applicable) does not pay the CSPO Issue Price in respect of the amount confirmed by BLY in their Allocation Confirmation on or before the time outlined by BLY in that Allocation Confirmation, then they will not receive their allocation of Shares pursuant to the Creditor Share Purchase Option.

12.13 **Lodgement of documents and further queries**

Complete TLA Proof of Debt Forms, TLB Proof of Debt Forms, TLA Proxy Forms, TLB Proxy Forms, SSN Account Holder Letters and SUN Account Holder Letters (as applicable) should be lodged in accordance with the instructions on those forms or letters.

If you have any questions in relation to the Secured Creditors' Scheme Meeting or Unsecured Creditors' Scheme Meeting, including completing and lodging the forms or letters, please contact:

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440

New York, NY 10165

Email: Boartscheme@primeclerk.com

Toll-Free: (877) 965-7990

Local/International: (929) 203-3308

Scheme Website: cases.primeclerk.com/boart2021

13. INTERPRETATION AND GLOSSARY

13.1 Interpretation

The following general interpretation guidelines are included to assist Secured Scheme Creditors and Unsecured Scheme Creditors in understanding this document.

- (a) Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Explanatory Statement. All numbers are rounded unless otherwise indicated.
- (b) A reference to:
 - (i) AU\$, AUD or cents, is to Australian currency, unless otherwise stated; and
 - (ii) USD or US\$ is to the currency of the United States of America, unless otherwise stated.
- (c) All references to time are references to the time in Sydney, Australia, unless otherwise stated.
- (d) A reference to:
 - (i) a "section" or "paragraph" is to a section or paragraph of this Explanatory Statement;
 - (ii) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (iii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iv) a party to an agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (v) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (vi) anything (including a right, obligation or concept) includes each part of it.
- (e) A singular word includes the plural, and vice versa.
- (f) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (g) A word which suggests one gender includes the other genders.
- (h) If an example is given of anything (including a right, obligation or concept), such as by saying that it includes something else, the example does not limit the scope of that thing.
- (i) A reference to a matter being **"to the knowledge"** of the Scheme Companies means that the matter is to the best of the knowledge and belief of the Directors as at the date of this Explanatory Statement, after making reasonable enquiries in the circumstances.

- (j) A reference to "**information**" is to information of any kind in any form or medium, whether formal or informal, written or unwritten.
- (k) The word "**agreement**" includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (l) The expressions "**subsidiary**", "**holding company**" and "**related body corporate**" have the same meanings as is given to those expressions in the Corporations Act.

13.2 Glossary of terms

Capitalised terms used in this Explanatory Statement have the meanings set out below.

Secured Scheme Creditors and Unsecured Scheme Creditors should be aware that some of the documents in the Annexures to this Explanatory Statement have their own defined terms, which are sometimes different from those in this Glossary.

2017 Schemes means:

- (a) the compromise or arrangement under Part 5.1 of the Corporations Act between the BLY Issuer, BLY, BLA, Votrait and Secured Scheme Creditors (as defined therein) which was approved by the Court on 22 August 2017; and
- (b) the compromise or arrangement under Part 5.1 of the Corporations Act between the BLY Issuer, BLY, BLA, Votrait, the 7% Scheme Creditors (as defined therein) and the Subordinate Claim Holders (as defined therein) which was approved by the Court on 22 August 2017.

Account Holder means a person recorded directly in the records of Cede & Co. and DTC as holding an interest in the SSN Indenture or SUN Indenture (as applicable) in an account held with DTC.

Ad Hoc Group or **AHG** means each entity listed in the table under the row "AHG" in schedule 1 to the RID, and their permitted transferees and assigns and **AHG Member** means any one of them.

Administrative Agent means:

- (a) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan A;
- (b) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan B; and
- (c) any successor administrative agent under the Term Loan A or Term Loan B.

Affiliate has the meaning given to "affiliate" within the meaning of Rule 405 of the U.S. Securities Act.

Agent means the Administrative Agent or the Collateral Agent or both of them, as the context requires.

Agent Deed Poll means the deed poll substantially in the form set out in Schedule 5 of the Secured Creditors' Scheme and Schedule 5 of the Unsecured Creditors' Scheme.

AHG Director Nomination Agreements means each agreement between one or more AHG Members and BLY in relation to the nomination of the AHG Nominee Directors as directors of BLY to be entered into in conjunction with the BLY Creditor Schemes.

AHG Nominee Directors means those persons nominated by AHG to be appointed as a director of BLY pursuant to the AHG Director Nomination Agreements.

AHG Permitted Assignee means:

- (a) in respect of the Corre Shareholders, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by Corre Partners Management, LLC or any affiliate of it;
- (b) in respect of the Ares Shareholders, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by Ares Management LLC or any affiliate of it;
- (c) in respect of Ascribe, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by Ascribe Management, LLC or any affiliate of it;
- (d) in respect of the FPA Shareholders, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by First Pacific Advisors, LP or any affiliate of it; and
- (e) in respect of Nut Tree Master Fund, LP, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by Nut Tree Capital Management or any affiliate of it.

Allocated Aggregate Debt means the aggregate outstanding amount of:

- (a) 25% of the outstanding amount of the TLA Unsecured RSA Date Debt;
- (b) 25% of the outstanding amount of the TLB Unsecured RSA Date Debt;
- (c) 25% of the outstanding amount of the SSN Unsecured RSA Date Debt;
- (d) 22.5% of the outstanding amount of the SUN RSA Date Debt;
- (e) 100% of the outstanding amount of the TLA Secured RSA Date Debt;
- (f) 100% of the outstanding amount of the TLB Secured RSA Date Debt;
- (g) 100% of the outstanding amount of the SSN Secured RSA Date Debt,

being an amount of US\$566,842,010.96.

Allocation Confirmation means the confirmation sent to each Participating SUN Noteholder and, if applicable, Other CSPO Participant setting out its allocation of Shares determined by BLY in accordance with the CSPO Allocation Principles to be issued under the Creditor Share Purchase Option provided that the Participating SUN Noteholder or Other CSPO Participant pays its subscription monies by the date required in such confirmation.

Allocations Spreadsheet means the spreadsheet prepared by BLY, and reasonably agreed to by each CBP Member and each AHG Member as soon as reasonably practicable after the BLY Creditor Schemes become Effective, as the allocations spreadsheet for the purpose of the BLY Creditor Schemes and the RID which sets out each party's relevant entitlement to the Creditor Schemes Transaction Securities issued under the applicable Restructuring

Document and distributed in accordance with the Implementation Steps, provided that it is consistent in all material respects with the terms of the BLY Creditor Schemes.

Applicable Insurance Policy means any available policy of insurance under which BLY is entitled to indemnity in respect of any Subordinate Claim.

Ares means Ares Management LLC, on behalf of its affiliated funds and accounts being ARES Institutional High Yield Master Fund LP, Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust, Kaiser Foundation Hospitals, Lucent Technologies Inc. Master Pension Trust, Seattle City Employees' Retirement System, SEI Global Master Fund PLC, SEI Institutional Investment Trust - High Yield Bond Fund, SEI Institutional Managed Trust - High Yield Bond Fund, SEI Investments Canada Company – U.S. High Yield Bond Fund, Superannuation Funds Management Corporation of South Australia and Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund.

Ares Shareholders means ARES Institutional High Yield Master Fund LP, Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust, Kaiser Foundation Hospitals, Lucent Technologies Inc. Master Pension Trust, Seattle City Employees' Retirement System, SEI Global Master Fund PLC, SEI Institutional Investment Trust - High Yield Bond Fund, SEI Institutional Managed Trust - High Yield Bond Fund, SEI Investments Canada Company – U.S. High Yield Bond Fund, Superannuation Funds Management Corporation of South Australia and Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund.

Ascribe means Ascribe II Investments LLC.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act as if BLY was the designated body.

Assumption Deed Poll means the deed poll of that name to be entered into by New BLY Parent in favour of the holders of the New Warrants, Existing Warrants, Existing Options and the Participants.

ASX means ASX Limited or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX, as waived or modified by ASX in respect of BLY, the BLY Creditor Schemes or otherwise.

Authorised Nominee means Chess Depository Nominees Pty Limited ACN 071 346 506, Australian Financial Licence number 254514, an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

Backstop Agent means Wilmington Trust, National Association in its capacity as agent under the Existing Backstop ABL and any successor agent under the Existing Backstop ABL.

Backstop Collateral Agent means Wilmington Trust, National Association in its capacity as collateral agent under the Existing Backstop ABL and any successor collateral agent for the Existing Backstop ABL.

BCM means BL Capital Management LLC, a limited liability company formed under the laws of Delaware.

BLA means Boart Longyear Australia Pty Limited ACN 000 401 025.

BLI means Boart Longyear Investments Pty Limited ACN 124 070 373.

BLY means Boart Longyear Limited ACN 123 052 728.

BLY Board means the board of directors of BLY.

BLY's Counsel has the meaning given to that term in the RSA.

BLY Creditor Schemes means the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

BLY Issuer means Boart Longyear Management Pty Limited ACN 123 283 545.

BLY Shareholder means a person entered in the register of members of BLY as the holder of a Share.

BLY US means BLY US Holdings Inc., a corporation formed under the laws of the State of Utah.

Book Entry Interest means a beneficial interest in the SSN Indenture or SUN Indenture, as the context requires, held by or through an Account Holder.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales and Adelaide, South Australia.

Buyback Shareholders means those Non-Associated Shareholders who sell their Shares to BLY pursuant to the Selective Buy-Back.

CBP Director Nomination Agreement means the agreement between BLY and affiliates of CBP in relation to the nomination of the CBP Nominee Directors as directors of BLY.

CBP Nominee Directors means those persons nominated by affiliates of CBP to be appointed as a director of BLY pursuant to the CBP Director Nomination Agreement.

CDI means a CHESS Depository Interest, that being a unit of beneficial ownership in a fully paid ordinary share of New BLY Parent that is registered in the name of the Authorised Nominee in accordance with the ASX Settlement Operating Rules, for the purpose of enabling the securities to be recorded and transferred in accordance with those operating rules.

Cede & Co means Cede & Co. as the clearing house nominee for The Depository Trust Company.

Centerbridge or **CBP** means all or any of the entities listed in the table under the row "CBP" in Schedule 1 to the RID, and any of their affiliates, permitted transferees and assigns (as the context requires), and **CBP Member** means any one of them.

Centerbridge Board Nominees means a person nominated by Centerbridge for appointment to the BLY Board in accordance with the CBP Director Nomination Agreement.

Centerbridge Permitted Assignee means any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by any affiliate of Centerbridge Partners, L.P.

Chairperson means the chairperson of the Unsecured Creditors' Scheme Meeting and the chairperson of the Secured Creditors' Scheme Meeting, as the context requires.

Change of Control Event has the meaning given to that term in the Secured Creditors' Scheme and Unsecured Creditors' Scheme.

Chapter 15 Order means, in respect of the Creditors' Schemes Proceeding and the BLY Creditor Schemes, any recognition order from the U.S. Bankruptcy Court entered in the Chapter 15 Proceeding.

Chapter 15 Proceeding means cases commenced under chapter 15 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court seeking (i) recognition of the Creditors' Schemes Proceeding and (ii) recognition and enforcement of the BLY Creditor Schemes.

Claim means, in relation to a person, any claim, allegation, cause of action, proceeding, debt, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

Collateral Agent means:

- (f) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan A;
- (g) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan B; and
- (h) any successor collateral agent under the Term Loan A or Term Loan B.

Commencement Date has the meaning given to that term in the RSA.

Competing Proposal means any dissolution, winding up, liquidation, reorganisation, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership sale of assets, financing (debt or equity), refinancing, or restructuring of BLY, other than the restructuring contemplated in the RSA, including, but not limited to, any proposal, agreement, arrangement or transaction, received in writing within the period from the Commencement Date to the Completion Date which, the BLY Board determines, in good faith and in consultation with BLY's Counsel if completed, would mean a third party (either alone or with any Associate (as defined in the Corporations Act) of that third party) may:

- (a) directly or indirectly acquire a Relevant Interest in 20% or more of the BLY Shares or 50% or more of the share capital of any Material BLY Subsidiary;
- (b) acquire Control of BLY;
- (c) directly or indirectly acquire a legal, beneficial or economic interest in, or Control of, all or a material part of BLY Group's business or assets or the business or assets of the BLY Group taken as a whole; or
- (d) otherwise directly or indirectly acquire or merge with BLY or acquire a Material BLY Subsidiary.

Constitution means the constitution of BLY, as amended from time to time.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Corre means Corre Partners Management, LLC and those entities affiliated with it including Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP.

Corre Shareholders means Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP.

Costs means costs, charges, fees and expenses.

Counterproposal has the meaning given to that term in section 5.2 of this Explanatory Statement.

Court means the Supreme Court of New South Wales.

Creditor Schemes Transaction Securities means the:

- (a) the New Common Equity;
- (b) the Shares to be issued by BLY in accordance with the Creditor Share Purchase Option; and
- (c) the New Warrants, as the context requires.

Creditor Share Purchase Option means the option for each TLA Purchaser, TLB Purchaser, SSN Noteholder and SUN Noteholder which is a Secured Scheme Creditor or an Unsecured Scheme Creditor to subscribe for Shares at the CSPO Issue Price with the Shares to be allocated by BLY in accordance with the CSPO Allocation Principles and issued in accordance with clause 12 (*Creditor Share Purchase Option*) of the Secured Creditors' Scheme and clause 12 (*Creditor Share Purchase Option*) of the Unsecured Creditors' Scheme, subject to a maximum cap on the amount to be raised by BLY from the issue of the Shares equal to the CSPO Cap Amount, as described in Section 8.8.

Creditors' Scheme Finance Document means:

- (a) each of the documents listed in Schedule 1 of the Secured Creditors' Scheme other than an Incremental Finance Document;
- (b) each of the documents listed in Schedule 1 of the Unsecured Creditors' Scheme other than an Incremental Finance Document;
- (c) any document entered into by a Scheme Company under which it has granted a security interest over its property to secure the Secured Money; and
- (d) any other document designated as:
 - (i) a Loan Document under the Term Loan A and Term Loan B; or
 - (ii) a Notes Document under the SSN Indenture.

Creditors' Scheme Implementation Date has the meaning given to that term in the RID.

Creditors' Schemes Proceeding means the proceeding filed in the Supreme Court of New South Wales seeking approval of the BLY Creditor Schemes.

Creditors' Schemes Restructuring Effective Time means the time at which all of the Implementation Steps in clauses 8(a) (*Issue of Shares and New Warrants*) to 8(h) (*Confirmation of Scheme Restructuring Effective Time*) of the RID have been completed.

CSPO Allocation Principles has the meaning given to that term in section 8.8.

CSPO Cap Amount has the meaning given to that term in section 8.8.

CSPO Issue Price has the meaning given to that term in section 8.8.

Custody Instructions means a custody instruction delivered to DTC to tender (as applicable):

- (a) SSN Indenture Notes identified in a SSN Account Holder Letter; or
- (b) SUN Indenture Notes identified in a SUN Account Holder Letter,

as being held at DTC through DTC's Automated Tender Offer Program.

Deed Poll means the Secured Scheme Administrators Deed Poll, the Unsecured Scheme Administrators Deed Poll, the Agent Deed Poll, TLB Collateral Agent Deed Poll, the Secured Scheme Creditors Deed Poll, the Unsecured Scheme Creditors Deed Poll, the SUN Trustee Deed Poll, the SSN Trustee Deed Polls, the Obligors Deed Polls or the Released Individuals Deed Poll as the context requires, and Deeds Poll means all of them or any combination of them, as the context requires.

Depository Trust Company or DTC means The Depository Trust Company, a central securities depository registered as a clearing agency with the Securities Exchange Commission.

Designated Recipient means any Permitted Assignee of a Secured Scheme Creditor or Unsecured Scheme Creditor who is not an Ineligible Person appointed under a validly completed and timely delivered TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) submitted to the Information Agent on behalf of a Secured Scheme Creditor or Unsecured Scheme Creditor to receive the consideration allocated to that Secured Scheme Creditor or Unsecured Scheme Creditor under the relevant BLY Creditor Scheme.

Director Nomination Agreement means each AHG Director Nomination Agreement and the CBP Director Nomination Agreement.

Directors means the directors appointed to the Scheme Companies as at the date of this Explanatory Statement.

Effective means:

- (a) when used in relation to a BLY Creditor Scheme, the coming into effect of the Second Court Orders pursuant to section 411(10) of the Corporations Act; and
- (b) when used in relation to the Members' Scheme, the coming into effect of the Court's orders approving the Members' Scheme pursuant to section 411(10) of the Corporations Act.

Eligible SBB Shareholders means a person who:

- (a) is the registered holder of Shares as at the SBB Record Date who has an aggregate value equal to less than AU\$3,000 (calculated by reference to the closing price of Shares on the ASX on the SBB Record Date);
- (b) is a Non-Associated Shareholder; and
- (c) is not an Excluded Foreign Person.

Eligible SPP Shareholders means a BLY Shareholder who:

- (a) is registered as a BLY Shareholder on the BLY share register on the SPP Record Date with a registered address in Australia or New Zealand;
- (b) is not in the United States and is not acting for the account or benefit of a person in the United States; and
- (c) is eligible under applicable securities law to receive an offer under and participate in the Share Purchase Plan.

Excluded Foreign Person means anyone who falls within any of the following exclusions:

- (a) persons who are (or who are acting on behalf of or for the account of a person who is) located in the United States, a US Person, or a resident of Canada;
- (b) any other BLY Shareholders to whom BLY would be prohibited, pursuant to any act, rule or regulation in any jurisdiction, from making payments;
- (c) persons who reside, or who are acting on behalf or for the account of a person who resides, in a jurisdiction other than Australia or New Zealand, unless BLY determines that:
 - (i) it would not be illegal for BLY to make an invitation to that person, or for that person to participate in the Selective Buy-Back under the laws of that jurisdiction; and
 - (ii) it would not be impractical for BLY to permit the person to participate in the Selective Buy-Back, having regard to the number of BLY Shareholders in the relevant jurisdiction and the requirements of the laws of that jurisdiction.

Exercise Notice means the notice which must be provided to BLY upon the exercise of a New Warrant by a holder of a New Warrant under the terms of the New Warrant Deed Poll.

Existing Backstop ABL means the Term Loan Securities Agreement dated as of 23 July 2017 (as amended by the First Amendment to Term Loan Securities Agreement dated as of 5 August 2017, the Second Amendment to Term Loan Securities Agreement dated as of 31 August 2017, the Third Amendment to Term Loan Securities Agreement dated as of 24 July 2019, the Fourth Amendment to Term Loan Securities Agreement dated as of 19 March 2020, the Fifth Amendment to Term Loan Securities Agreement dated as of 1 June 2021 and as further amended, varied or amended and restated from time to time), between, amongst others, BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022.

Existing Options means the unquoted executive options to purchase fully paid Shares given under BLY's 2014 option plan, 2015 option plan and 2016 option plan.

Existing PNC ABL means the Amended and Restated Revolving Credit and Security Agreement, dated 23 July 2017 between, amongst others, BLY Issuer, BLY, the other guarantors identified therein and PNC Bank, National Association, as administrative agent and collateral agent, as amended by the First Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 30 August 2017, the Second Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 30 March 2018, the Third Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 18 September 2018, the Fourth Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 22 October 2018, the Fifth Amendment to the Amended and Restated Revolving Credit and Security

Agreement dated as of 24 July 2019, the Sixth Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 28 April 2020, the Seventh Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of 12 May 2021 and as further as amended, restated, supplemented, waived, refinanced or otherwise modified from time to time.

Existing Warrants has the meaning given to that term in the RID.

Exit Financier means each bank, fund or other financial institution who is designated a lender (howsoever described) pursuant to the terms of the Exit Financing Facility.

Exit Financing Facility means financing made available under a new money facility which shall:

- (a) be available for drawing by BLY US or another member of the Group;
- (b) be a five year term loan facility with a total aggregate commitment of US\$115,000,000 available for the purposes, amongst other things, of fully refinancing outstanding amounts (including, but not limited to, principal, interest and fees) under each of the Incremental Finance Facility and the Existing Backstop ABL; and
- (c) subject to certain conditions precedent, be available for drawing following completion of Step 1 and Step 2 (as set out in clause 8(a) and clause 8(b) (respectively) of the RID) in accordance with the RID.

Explanatory Statement means this document.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means Foreign Investment Review Board.

First Court Hearing means the hearing of an application for the First Court Orders, including any adjourned hearing.

First Court Orders means the orders of the Court convening the Scheme Meetings under section 411(1) of the Corporations Act.

FPA means First Pacific Advisors, LP and those entities affiliated with it including FPA New Income, Inc., Motion Picture Industry Health Plan (Active), Motion Picture Industry Health Plan (Retiree), Motion Picture Industry Individual Account Plan, SAG-AFTRA Health Plan, The Health Plan of West Virginia, Inc. and The Nature Conservancy.

FPA Shareholders being FPA New Income, Inc., Motion Picture Industry Health Plan (Active), Motion Picture Industry Health Plan (Retiree), Motion Picture Industry Individual Account Plan, SAG-AFTRA Health Plan, The Health Plan of West Virginia, Inc. and The Nature Conservancy.

FTI Consulting means FTI Consulting of Level 22, Gateway 1 Macquarie Place, Sydney NSW 2000, Australia.

FTI Consulting Information means the information in section 9 of this Explanatory Statement, the FTI Consulting Report and certain other information in this Explanatory Statement that is identified as having been provided by or attributed to FTI Consulting.

FTI Consulting Report means the independent expert report dated 27 July 2021 prepared by FTI Consulting, a copy of which is set out at Annexure C.

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including the Treasurer of the Commonwealth of Australia), ASIC, the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any stock exchange.

Group means BLY and each of its Subsidiaries.

Implementation Steps means each of the steps set out in clause 8 of the RID.

Implied Value has the meaning given to that term in the FTI Consulting Report.

Incremental Agent means Wilmington Trust, National Association, in its capacity as agent under the Incremental Finance Facility and any successor agent under the Incremental Finance Facility.

Incremental Collateral Agent means U.S. Bank National Association, in its capacity as collateral agent for the Incremental Finance Facility and any successor collateral agent for the Incremental Finance Facility.

Incremental Finance Documents means together:

- (a) the Incremental Finance Facility; and
- (b) any Loan Document (as that term is defined in the Incremental Finance Facility).

Incremental Finance Facility means the Term Loan Securities Agreement, dated as of 1 June 2021 by and among BLY Issuer, as issuer, the guarantors party thereto, the purchasers party thereto, Wilmington Trust, National Association, as agent and U.S. Bank National Association, as collateral agent, and providing for the issuance of term loan securities with a final repayment date of 31 December 2021.

Incremental Finance Facility Agreement has the meaning given to that term in section 5.4 of this Explanatory Statement.

Ineligible Foreign Shareholders has the meaning given to that term in the Members' Scheme Explanatory Statement.

Ineligible Jurisdiction means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Ineligible Person means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

Information Agent means Prime Clerk LLC.

Initial Supporting Creditors means affiliates of Centerbridge, Ascribe, Corre, FPA and Nut Tree in their capacity as beneficial holder, or investment adviser or manager for the account of beneficial holders, of obligations arising under the Existing Backstop ABL, Term Loan A, Term Loan B, SSN Indenture and/or SUN Indenture.

Liability means any debt, liability or obligation of a person whether it is present, future, prospective or contingent, whether or not it is fixed or undetermined, whether or not it involves the payment of money or performance of an act or obligation and whether it arises by contract, at common law, in equity, by statute or otherwise in Australia or any other jurisdiction, or in any manner whatsoever.

Long Term Equity Incentive Plan means the Boart Longyear Limited 2020 Long Term Incentive Plan approved at BLY's Annual General Meeting on 31 July 2020.

Material BLY Subsidiary has the meaning given to that term in the RSA.

Maximum Committed Securities means the maximum number of Shares the relevant Scheme Creditor (or its Permitted CSPO Nominee) is willing to subscribe for under the Creditor Share Purchase Option, as listed in its duly executed and delivered TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable).

Members' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between BLY and the BLY Shareholders, pursuant to which BLY will become a wholly owned subsidiary of New BLY Parent by the transfer of all Shares to New BLY Parent in exchange for the issue of New BLY Parent CDIs to BLY Shareholders.

Members' Scheme Approval has the meaning given to that term in section 7.1 of this Explanatory Statement.

Members' Scheme Consideration means the consideration to be provided by New BLY Parent to each BLY Shareholder participating in the Members' Scheme, being (1) New BLY Parent Share in the form of a New BLY Parent CDI, for each (1) BLY Share held by a BLY Shareholder participating in the Members' Scheme as at the Members' Scheme Record Date.

Members' Scheme Effective Time means the time at which all of the Implementation Steps in clauses 8(i) (*Assumption Deed Poll*) to 8(j) (*Members' Scheme Implementation*) of the RID have been completed.

Members' Scheme Explanatory Statement means the explanatory statement prepared in accordance with the Corporations Act explaining the Members' Scheme.

Members' Scheme Implementation Date means the date on which each of the Implementation Steps in the Restructuring Implementation Deed to implement the Members' Scheme will be completed, which must be no later than 10 Business Days after the Creditors' Schemes Restructuring Effective Time.

Members' Scheme Record Date means 7:00 pm (Sydney time) on the day which is two business days after the date on which the Members' Scheme becomes Effective, expected to be 1 October 2021, or any other date (after the Members' Scheme becomes Effective) agreed by BLY and the New BLY Parent to be the record date to determine entitlements to receive Members' Scheme Consideration under the Members' Scheme.

New BLY Parent means Boart Longyear Ltd. (Ontario Corporation No. 002854330), a limited company incorporated in Ontario, Canada, with registered address Suite 2400, 333 Bay Street, Toronto, Canada, which is a newly incorporated company established for the purposes of the Members' Scheme.

New BLY Parent CDI means a CDI representing one (1) New BLY Parent Share.

New BLY Parent Share means one common share in the capital of New BLY Parent.

New Common Equity means the total number of new Shares to which Secured Scheme Creditors and Unsecured Scheme Creditors are entitled pursuant to the BLY Creditor Schemes (but excluding the Creditors Share Purchase Option) and allocated in accordance with the Allocations Spreadsheet determined by applying the following formula and adjusted as a result of any rounding required by clause 7(b) of the Secured Creditors' Scheme or clause 7(b) of the Unsecured Creditors' Scheme (as applicable):

(Pre-restructuring Share Capital / 0.015) – Pre-restructuring Share Capital

New Warrant Certificate means a certificate evidencing a person as a registered holder of any one or more New Warrants, and substantially in the form set out in Attachment 3 to the New Warrant Deed Poll.

New Warrant Deed Poll means the document entitled New Warrant Deed Poll substantially in the form set out in Schedule 11 of the Unsecured Creditors' Scheme to be executed by BLY which sets out the terms of issue of the New Warrants.

New Warrants means the warrants issued by BLY on the terms set out in Schedule 11 to the Unsecured Creditors' Scheme with a strike price of AU\$2.79.

Non-Associated Shareholder means a BLY Shareholder who is not any of the following:

- (a) a TLA Purchaser, TLB Purchaser, SSN Noteholder or SUN Noteholder; or
- (b) an Associate of any of the persons referred to in paragraph (a).

Notice of EGM Meeting means the notice of meeting convening the meeting of Shareholders to vote on the Shareholders Resolutions.

Notice of Secured Creditors' Scheme Meeting means the notice of the Secured Creditors' Scheme Meeting at the beginning of this Explanatory Statement.

Notice of Unsecured Creditors' Scheme Meeting means the notice of the Unsecured Creditors' Scheme Meeting at the beginning of this Explanatory Statement.

Nut Tree means Nut Tree Capital Management and Nut Tree Master Fund, LP.

Obligors means each of:

- (a) BLY;
- (b) BLA;
- (c) BLI;
- (d) the BLY Issuer;
- (e) BCM;
- (f) BLY US;
- (g) Boart Longyear Canada;
- (h) Boart Longyear Chile Limitada;
- (i) Boart Longyear Company;
- (j) Boart Longyear Manufacturing and Distribution Inc.;

- (k) Boart Longyear Manufacturing Canada Ltd.;
- (l) Boart Longyear S.A.C.;
- (m) Boart Longyear Suisse Sarl;
- (n) Longyear Canada, ULC;
- (o) Longyear TM, Inc;
- (p) Votraint; and
- (q) BLY IP Inc.

Obligors Deed Poll means:

- (a) in respect of the Secured Creditors' Scheme, the deed poll executed by the Obligors substantially in the form set out in Schedule 9 of the Secured Creditors' Scheme; and
- (b) in respect of the Unsecured Creditors' Scheme, the deed poll executed by the Obligors substantially in the form set out in Schedule 10 of the Unsecured Creditors' Scheme.

Other CSPO Participant means TLA Purchasers, TLB Purchasers and SSN Noteholders who are either a Secured Scheme Creditor or an Unsecured Scheme Creditor who complete and return to the Information Agent a TLA Proof of Debt Form, TLB Proof of Debt Form or a SSN Account Holder Letter (as applicable) with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Participant means each eligible participant to the Long Term Incentive Plan.

Participating SUN Noteholder means SUN Noteholders who are Unsecured Scheme Creditors and who complete and return to the Information Agent the SUN Account Holder Letter with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Permitted Assignee means, in respect of a Secured Scheme Creditor or Unsecured Scheme Creditor, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by that Secured Scheme Creditor or Unsecured Scheme Creditor.

Permitted CSPO Nominee means a person (who is not an Ineligible Person) nominated by a Participating SUN Noteholder or Other CSPO Participant to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA or accedes to the RSA; and
- (b) the Participating SUN Noteholder or Other CSPO Participant specifies the nominee's name and details in the relevant section titled 'Creditor Share Purchase Option' of their SUN Account Holder Letter, SSN Account Holder Letter, TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable).

Pre-restructuring Share Capital means the total number of Shares on issue by BLY immediately prior to the commencement of the Implementation Steps, with the number of Shares determined:

- (a) following the Share Consolidation to occur prior to the Creditors' Scheme Implementation Date;
- (b) before the buy-back of any Shares under the Selective Buy-Back;
- (c) before the issue of any Shares on the exercise of any New Warrants;
- (d) before the issue of any Shares on the exercise of Existing Warrants or Existing Options on or after the Creditors' Scheme Implementation Date;
- (e) before the issue of any Shares under the Long Term Equity Incentive Plan on or after the Creditors' Scheme Implementation Date; and
- (f) before the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option.

Recapitalisation Transactions means the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, the Exit Financing Facility, the Share Consolidation, the Share Purchase Plan and the Creditor Share Purchase Option.

Released Individual means each person who was, at any time between 23 August 2017 and the Creditors' Scheme Implementation Date inclusive, a director or officer of any Obligor who has executed, or at any time executes (including by way of joinder), a Released Individuals Deed Poll.

Released Individuals Deed Poll means the deed poll substantially in the form set out in Schedule 8 of the Secured Creditors' Scheme and Schedule 9 of the Unsecured Creditors' Scheme.

Relevant Finance Documents has the meaning given to that term in the RSA.

Relevant AHG Shareholders at a time means:

- (a) the Ares Shareholders;
- (b) Ascribe;
- (c) the Corre Shareholders;
- (d) the FPA Shareholders;
- (e) Nut Tree Master Fund, LP; and
- (f) any AHG Permitted Assignee,

that are the registered holders of Retained Shares at that time.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Relevant CBP Shareholders at a time means:

- (a) the affiliates of Centerbridge who are party to the CBP Director Nomination Agreement; and

(b) any Centerbridge Permitted Assignee,

that are the registered holders of Retained Shares at that time.

Representation Letter means a letter to be delivered to BLY with the Exercise Notice where a New Warrant is exercised for cash by a holder of a New Warrant under the terms of the New Warrant Deed Poll.

Requisite Majority has the meaning given to that term in section 4.2 of this Explanatory Statement.

Restructuring means the proposed restructuring of the existing indebtedness and equity of the Group to be effected by completing the Implementation Steps.

Restructuring Document has the meaning given to that term in the RID.

Retained Shares means:

- (a) immediately following completion of Step 8 (*Confirmation of Scheme Restructuring Effective Time*) of the Implementation Steps, those Shares in which any one or more of the Relevant AHG Shareholders or the Relevant CBP Shareholders (as applicable) have a relevant interest at that time; or
- (b) if the Members' Scheme is implemented, those Shares in which any one or more of the Relevant AHG Shareholders or the Relevant CBP Shareholders (as applicable) has a relevant interest as at immediately following the implementation of the Members' Scheme,

and in which, at any relevant time, any one or more of the Relevant AHG Shareholders or Relevant CBP Shareholders (as applicable) holds a relevant interest.

RID or **Restructuring Implementation Deed** means the Restructuring Implementation Deed substantially in the form set out in Schedule 2 of the Secured Creditors' Scheme and Schedule 2 of the Unsecured Creditors' Scheme and to be executed by:

- (a) a Secured Scheme Administrator on behalf of the Secured Scheme Creditors as contemplated by clause 5.1 of this Secured Creditors' Scheme; and
- (b) an Unsecured Scheme Administrator on behalf of the Unsecured Scheme Creditors as contemplated by clause 5.1 of this Unsecured Creditors' Scheme.

RSA or **Restructuring Support Agreement** means the Restructuring Support Agreement entered into between, among others, BLY and BLY Issuer, dated 12 May 2021.

RSA Date means 12 May 2021, being the commencement date of the RSA.

RSA Longstop Date means 31 October 2021 (which may be amended or extended in accordance with the terms and conditions of the RSA).

RSA Transactions has the meaning given to the term "Transaction" in the RSA.

SBB Record Date means 7:00 pm (Sydney time) on 28 July 2021, being the trading day prior to announcement of the Selective Buy-Back.

Scheme Administrators means the Secured Scheme Administrators and the Unsecured Scheme Administrators.

Scheme Companies means BLY, BLA, BLI, BLY Issuer, Votrait, BCM and BLY US.

Scheme Consideration Election Window means the period on and from the date which is notified by BLY as the date being at least five (5) Business Days prior to the Scheme Effective Date in both BLY Creditor Schemes up to (but not including) the Scheme Effective Date in both BLY Creditor Schemes.

Scheme Creditor means each Secured Scheme Creditor and Unsecured Scheme Creditor.

Scheme Effective Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively.

Scheme Meetings means the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

Second Court Date means the first day of the hearing of an application made to the Court for the Second Court Orders or, if the hearing of such application is adjourned for any reason, means the first day to which the hearing is adjourned.

Second Court Hearing means the hearing of an application made to the Court for the Second Court Orders, including any adjourned hearing.

Second Court Orders means the orders of the Court approving the BLY Creditor Schemes under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

Secured Creditors means, in respect of:

- (a) the Term Loan A, each TLA Purchaser with TLA Secured Debt;
- (b) the Term Loan B, each TLB Purchaser with TLB Secured Debt;
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Secured Debt; and
 - (ii) SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors being the compromise or arrangement proposed by the Scheme Companies as set out in Annexure A of this Explanatory Statement.

Secured Creditors' Scheme Meeting means the meeting of Secured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Secured Creditors' Scheme, and includes any adjournment of that meeting.

Secured Debt means:

- (a) the TLA Secured Debt;
- (b) the TLB Secured Debt; and
- (c) the SSN Secured Debt.

Secured Debt Cap means:

- (a) in respect of the Term Loan A, indebtedness incurred as "Secured Obligations" (as defined in the Term Loan A) of up to US\$85,000,000 plus a pro rata portion of the

"Secured Term Loan Interest Amount" (as defined in the SUN Indenture) allocated to the Term Loan A if any; and

- (b) in respect of the Term Loan B, indebtedness incurred as "Secured Obligations" (as defined in the Term Loan B) of up to US\$105,000,000 plus a pro rata portion of the "Secured Term Loan Interest Amount" (as defined in the SUN Indenture) allocated to the Term Loan B if any.

Secured Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by a Scheme Company to an Secured Scheme Creditor, Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee on any account at any time under or in connection with the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture or any transaction contemplated by those documents:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;
- (c) whether Secured Scheme Creditor, an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which a Secured Scheme Creditor, an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable;
- (d) whether due to a Scheme Company alone or with another person;
- (e) whether a Scheme Company is entitled for its own account or the account of another person;
- (f) whether arising from a banker and customer relationship or any other relationship;
- (g) whether originally contemplated by a Secured Scheme Creditor, an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee or a Scheme Company or not;
- (h) whether a Scheme Company is the original person in whose favour the undertakings in the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture were given or an assignee and, if a Secured Scheme Creditor, an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is an assignee:
 - (i) whether or not a Secured Scheme Creditor, an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with the security interests; and
- (i) if determined pursuant to any award, order or judgment against a Scheme Company, whether or not that Scheme Company was a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Scheme Administrator means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Secured Creditors' Scheme, subject to section 411(7) of the

Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Secured Scheme Administrators Deed Poll.

Secured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of the Secured Creditors' Scheme and executed by the Secured Scheme Administrators.

Secured Scheme Claim means a Claim in respect of any Liability of a Scheme Company, an Obligor or a Released Individual to any person arising out of:

- (a) the TLA Secured Debt, the TLB Secured Debt or the SSN Secured Debt; or
- (b) the relevant Creditors' Schemes Finance Documents,

in each case, arising on or before the Creditors' Scheme Implementation Date (including, for the avoidance of doubt, any interest accruing on such claims up to the Creditors' Scheme Implementation Date).

Secured Scheme Consideration means the Creditor Schemes Transaction Securities to be issued to Secured Scheme Creditors in accordance with Implementation Step 1 (*Issue of Shares and New Warrants*) of the RID.

Secured Scheme Creditor Deed Poll means the deed poll executed by a Secured Scheme Administrator as attorney and agent for the Secured Scheme Creditors pursuant to the Secured Creditors' Scheme in substantially the form set out in Schedule 4 of the Secured Creditors' Scheme.

Secured Scheme Creditors means:

- (a) for the purposes of receiving this Explanatory Statement and voting at the Secured Creditors' Scheme Meeting, the Secured Creditors as at the Voting Entitlement Record Date; and
- (b) for the purposes of being bound by the Secured Creditors' Scheme and Restructuring Implementation Deed, the Secured Creditors as at the Scheme Effective Date for the Secured Creditors' Scheme.

Selective Buy-Back means selective buy-back described in the selective buy-back booklet dated on or about the date of this Explanatory Statement pursuant to which eligible BLY Shareholders holding parcels of Shares worth less than AU\$3,000 may offer to sell their Shares to BLY on the terms set out in the selective buy back booklet and subject to BLY's absolute discretion to decide whether to accept (in whole or in part) or reject any offers received from BLY Shareholders (and subject to the maximum amount that can be expended by BLY in purchasing the shares being limited to US\$500,000).

Share Consolidation means the conversion of every 20 Shares into 1 Share.

Share Purchase Plan means the share purchase plan offered to Eligible SPP Shareholders on the terms set out in the share purchase plan booklet dated on or about the date of this Explanatory Statement, pursuant to which Eligible SPP Shareholders may subscribe for up to AU\$30,000 worth of Shares, provided that the maximum amount to be raised by the share purchase plan is US\$2.5 million.

Shareholder Meeting means the general meeting of the BLY Shareholders to be held on or around 8 September 2021 to consider and vote on the Shareholder Resolutions, amongst other matters.

Shareholder Resolutions means resolutions of BLY Shareholders at a general meeting of the BLY Shareholders:

- (a) to grant approval for the purposes of ASX Listing Rule 7.1 to the extent required for BLY to give effect to the Transactions;
- (b) to grant approval for the purposes of ASX Listing Rule 10.11 to the extent required for BLY to give effect to the Transactions;
- (c) to grant approval for the purposes of item 7 of section 611 of the Corporations Act to the extent required for BLY to give effect to the Transactions, to permit any transfers of Creditor Schemes Transaction Securities between AHG Members from time to time and as BLY may additionally require;
- (d) to grant approval for the purposes of section 208 of the Corporations Act to the extent required for BLY to give any financial benefit to a related party by giving effect to the Transactions; and
- (e) to grant approval for the purposes of section 254H of the Corporations Act to give effect to the Share Consolidation.

Shares means fully paid ordinary shares in the capital of BLY.

SPP Record Date means 7:00 pm (Sydney time) on 28 July 2021, being the record date for the Share Purchase Plan.

SPP Shortfall Amount has the meaning given to that term in section 6.2 of this Explanatory Statement.

SSN Account Holder Letter means an account holder letter substantially in the form set out at Annexure K, to be completed and lodged with the Information Agent by the relevant Account Holder (pursuant to the instructions of the relevant SSN Noteholder) for the purpose of, among other things, enabling each relevant SSN Noteholder to, amongst other things:

- (a) vote at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

SSN Applicable Premium has the meaning given to the term "Applicable Premium" in the SSN Indenture.

SSN Indenture means the indenture dated 27 September 2013, between, among others, the BLY Issuer, as issuer, BLY, as parent, BLA, BLI, Votraint, BCM and BLY US, as guarantors, amongst others, and U.S. Bank National Association, as trustee and collateral agent, in respect of the 12.00% / 10.00% secured notes, as amended by the first supplemental indenture dated 31 August 2017, the second supplemental indenture dated 18 September 2017, the third supplemental indenture dated 31 December 2018, the fourth supplemental indenture dated 17 July 2019, the fifth supplemental indenture dated 24 June 2020, and the sixth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SSN Indenture Notes means the 12.0% / 10.0% secured notes issued under the SSN Indenture.

SSN Noteholders means each person with a Book Entry Interest in the SSN Indenture.

SSN Notes Registered Holder means the "Holder" or "Securityholder" as those terms are defined in the SSN Indenture, being Depository Trust Company.

SSN Omnibus Proxy means an omnibus proxy pursuant to which Cede & Co. (as nominee of DTC) is expected to appoint those Account Holders shown in the records of Cede & Co. and/or DTC as holding an interest in the SSN Indenture Notes held by DTC as its proxies in respect of the relevant SSN Indenture Notes shown on its records as being held by such Account Holders on the Voting Entitlement Record Date.

SSN Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

SSN Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of SSN Secured RSA Date Debt, being the amount of US\$303,567,773.87, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

SSN Secured RSA Date Debt means the amount of SSN Secured Debt as at the RSA Date, being US\$303,567,773.87.

SSN Trustee means U.S. Bank National Association in its capacity as trustee and collateral agent under the SSN Indenture and any successor trustee or collateral agent under that document.

SSN Trustee Deed Poll means:

- (a) the deed poll substantially in the form set out in Schedule 7 of the Secured Creditors' Scheme and to be executed by the SSN Trustee as contemplated in clause 4.3 of the Secured Creditors' Scheme and clause 7(c)(iii) of the RID; or
- (b) the deed poll substantially in the form set out in Schedule 7 of the Unsecured Creditors' Scheme and to be executed by the SSN Trustee as contemplated in clause 4.3 of the Unsecured Creditors' Scheme and clause 7(c)(iii) of the RID,

as the context requires.

SSN Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

SSN Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of SSN Unsecured RSA Date Debt, being the amount of US\$11,231,146.61, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

SSN Unsecured RSA Date Debt means the amount of SSN Unsecured Debt as at the RSA Date, being US\$44,924,586.44.

Standard Tax Conditions means the "'Standard' tax conditions" set out in Part D of the Foreign Investment Review Board Guidance note 12 (Tax Conditions) dated 18 December 2020.

Standstill Period has, in respect of the BLY Creditor Schemes, the meaning given to that term in section 8.7 of this Explanatory Statement.

Subordinate Claim means a "subordinate claim" within the meaning of subsection 563A(2) of the Corporations Act, against BLY in respect of any fact, matter, circumstance or event which has arisen or occurred at any time prior to the commencement of Implementation Step 7 (*Subordinate Claim Releases*) in clause 8 (*Implementation Steps*) of the RID.

Subordinate Claim Holder means any person who, as at immediately prior to the commencement of Implementation Step 7 (*Subordinate Claim Releases*) in clause 8 (*Implementation Steps*) in the RID, has or, but for the Unsecured Creditors' Scheme, would be entitled to make, a Subordinate Claim.

Subsidiaries has the meaning given in the Corporations Act and, as applied to BLY, Subsidiary shall include the BLY Issuer, BLA, BLI, BCM, BLY US, Boart Longyear Canada, Boart Longyear Chile Limitada, Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., Boart Longyear Manufacturing Canada Ltd., Boart Longyear S.A.C., Boart Longyear Suisse Sarl, Longyear Canada, ULC, Longyear Holdings Inc., Votraint and BLY IP Inc.

SUN Account Holder Letter means an account holder letter substantially in the form set out at Annexure L, to be completed and lodged with the Information Agent by the relevant Account Holder (pursuant to the instructions of the relevant SUN Noteholder) for the purpose of, among other things, enabling each relevant SUN Noteholder to, amongst other things:

- (a) vote at the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Unsecured Creditors' Scheme Meeting.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SUN Noteholders under the relevant Creditors' Schemes Finance Documents.

SUN Designated Senior Indebtedness has the meaning given to the term "Designated Senior Indebtedness" in the SUN Indenture.

SUN Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SUN Noteholders pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 22.5% of the outstanding amount of SUN RSA Date Debt, being the amount of US\$21,137,517.61, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

SUN Indenture means the indenture dated 28 March 2011 between the BLY Issuer, as issuer, BLY, as guarantor, and Delaware Trust Company as trustee, amongst others, as amended by the first supplemental indenture dated 14 June 2013, the second supplemental indenture dated 27 September 2013, the third supplemental indenture dated 2 April 2017, the fourth supplemental indenture dated 31 August 2017, the fifth supplemental indenture dated 18 September 2017, the sixth supplemental indenture dated 31 December 2018, the seventh supplemental indenture dated 17 July 2019, the eighth supplemental indenture dated 15 June 2020, and the ninth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SUN Indenture Notes means the 1.5% pay in kind unsecured notes issued under the SUN Indenture.

SUN Noteholders means each person with a Book Entry Interest in the SUN Indenture.

SUN Notes Registered Holder means the "Holder" or "Securityholder" as that term is defined in the SUN Indenture, being Depository Trust Company.

SUN Omnibus Proxy means an omnibus proxy pursuant to which Cede & Co. (as nominee of DTC) is expected to appoint those Account Holders shown in the records of Cede & Co. and/or DTC as holding an interest in the SUN Indenture Notes held by DTC as its proxies in respect of the amount of the relevant SUN Indenture Notes shown on its records as being held by such Account Holders on the Voting Entitlement Record Date.

SUN RSA Date Debt means the amount of SUN Debt as at the RSA Date, being US\$93,944,522.71.

SUN Trustee means Delaware Trust Company in its capacity as trustee under the SUN Indenture and any successor trustee under that document.

SUN Trustee Deed Poll means the deed poll substantially in the form set out in Schedule 8 of this Scheme and to be executed by the SUN Trustee as contemplated in clause 4.4 of the Unsecured Creditors' Scheme and clause 7(c)(iv) of the RID.

Sunset Date means 31 December 2021.

Superior Proposal means a bona fide written Competing Proposal of the kind referred to in any of paragraphs (b) or (c) of the definition of Competing Proposal which the BLY Board, acting in good faith, and after receiving written legal advice from BLY's Counsel and written financial advice from its financial adviser, determines:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent, the identity, reputation and financial standing of the proponent, the current contractual rights of the Supporting Creditors under the Relevant Finance Documents, and any requirements set forth by the Supporting Creditors in their response to a Competing Proposal;
- (b) would, if completed substantially in accordance with its terms, be more favourable to BLY Shareholders (as a whole) and the creditors of BLY than the RSA Transactions (having regard to the fact that trade creditors will be paid in full under the RSA Transactions), taking into account all terms and conditions of the Competing Proposal; and
- (c) would reasonably be expected to require it by virtue of its directors' fiduciary or statutory duties under applicable law to respond to such Competing Proposal or to change, withdraw or modify its recommendation.

Supporting Creditors means those creditors of BLY who are party to the RSA.

Term Loan A means the Term Loan A Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votrait and BLY US, as guarantors, the TLA Purchasers, and Wilmington Trust, National Association, as administrative agent and collateral agent, pursuant to which term loan securities were issued, as amended by the First Amendment to Term Loan A Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan A Securities Agreement dated 24 June 2020 and the Third Amendment to Term Loan A Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

Term Loan B means the Term Loan B Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votrait and BLY US, as guarantors, the TLB Purchasers, and Wilmington Trust, National Association, as administrative agent and collateral agent, pursuant to which term loan securities were

issued, as amended by the First Amendment to Term Loan B Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan B Securities Agreement dated 24 June 2020 and the Third Amendment to Term Loan B Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

TLA Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure H which may be lodged with the Information Agent by TLA Purchasers for the purpose of, amongst other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLA Proxy Form means the form used by TLA Purchasers to appoint a proxy to vote on their behalf at the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting, substantially in the form set out at Annexure G

TLA Purchasers means the "Purchasers" as that term is defined in the Term Loan A.

TLA Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLA Secured RSA Date Debt, being the amount of US\$85,000,000.00, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

TLA Secured RSA Date Debt means the amount of TLA Secured Debt as at the RSA Date, being US\$85,000,000.00.

TLA Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLA Unsecured RSA Date Debt, being the amount of US\$18,834,246.22, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

TLA Unsecured RSA Date Debt means the amount of TLA Unsecured Debt as at the RSA Date, being US\$75,336,984.87.

TLB Collateral Agent means U.S. Bank National Association in its capacity as collateral agent for the TLB Purchasers and any successor trustee or collateral agent.

TLB Collateral Agent Deed Poll means:

- (a) the deed poll substantially in the form set out in Schedule 6 of the Secured Creditors' Scheme and to be executed by the TLB Collateral Agent as contemplated in clause 4.2 of the Secured Creditors' Scheme and clause 7(c)(ii) of the RID; or
- (b) the deed poll substantially in the form set out in Schedule 6 of the Unsecured Creditors' Scheme and to be executed by the TLB Collateral Agent as contemplated in clause 4.2 of the Unsecured Creditors' Scheme and clause 7(c)(ii) of the RID,

as the context requires.

TLB Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure J which may be lodged with the Information Agent by TLB Purchasers for the purpose of, amongst other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLB Proxy Form means the form used by TLB Purchasers to appoint a proxy to vote on their behalf at the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting, substantially in the form set out at Annexure I.

TLB Purchasers means the "Purchasers" as that term is defined in the Term Loan B.

TLB Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLB Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to the Secured Creditors' Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLB Secured RSA Date Debt, being the amount of US\$105,000,000.00, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

TLB Secured RSA Date Debt means the amount of TLB Secured RSA Date Debt as at the RSA Date, being US\$105,000,000.00.

TLB Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLB Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to the Unsecured Creditors' Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLB Unsecured RSA Date Debt, being the amount of US\$22,071,326.65, bears to the aggregate outstanding amount of Allocated Aggregate Debt, and each such amount shall be set out in the Allocations Spreadsheet.

TLB Unsecured RSA Date Debt means the amount of TLB Unsecured Debt as at the RSA Date, being US\$88,285,306.60.

Total New Warrants means the total number of New Warrants to be issued to the SUN Noteholders (or their Designated Recipient) pursuant to the Unsecured Creditors' Scheme, and in accordance with the RID, which is calculated such that the total number of Shares that can be purchased using the total number of New Warrants issued would result in the SUN Noteholders (or their Designated Recipients), assuming all New Warrants were exercised, holding 10% of the total Shares on issue, with the total Shares on issue for the purposes of this calculation determined:

- (a) following the Share Consolidation to occur prior to the Creditors' Scheme Implementation Date;
- (b) following completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID;
- (c) before the buy-back of any Shares under the Selective Buy-Back;
- (d) before the issue of any Shares on the exercise of Existing Warrants or Existing Options on or after the Creditors' Scheme Implementation Date;

- (e) before the issue of any Shares under the Long Term Equity Incentive Plan on or after the Creditors' Scheme Implementation Date;
- (f) before the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option; and
- (g) including the new Shares that would be issued on exercise of the New Warrants, being a total number of New Warrants of 32,782,148.

Transactions means the restructuring of BLY and certain of its subsidiaries as summarised in the Restructuring Term Sheet which is schedule 2 of the RSA.

Treasurer has the same meaning as it has for the purposes of the FATA.

Undertakings means:

- (a) the undertaking given by the Agent to execute the Agent Deed Poll in accordance with the Secured Creditors' Scheme and the Unsecured Creditors' Scheme;
- (b) the undertaking given by the TLB Collateral Agent to execute the TLB Collateral Agent Deed Poll in accordance with the Secured Creditors' Scheme and the Unsecured Creditors' Scheme;
- (c) the undertaking given by the SSN Trustee to execute the SSN Trustee Deed Poll in accordance with the Secured Creditors' Scheme and the Unsecured Creditors' Scheme; and
- (d) the undertaking given by the SUN Trustee to execute the SUN Trustee Deed Poll in accordance with the Unsecured Creditors' Scheme.

Unidentified Secured Scheme Creditors has the meaning given to that term in the Secured Creditors' Scheme.

Unidentified Unsecured Scheme Creditors has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Creditors means, in respect of:

- (a) the Term Loan A, each TLA Purchaser with TLA Unsecured Debt;
- (b) the Term Loan B, each TLB Purchaser with TLB Unsecured Debt;
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Unsecured Debt; and
 - (ii) SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co;
- (d) the SUN Indenture:
 - (i) each SUN Noteholder with SUN Debt; and
 - (ii) SUN Notes Registered Holder, and the SUN Notes Registered Holder's nominee Cede & Co.

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors

and the Subordinate Claim Holders, being the compromise or arrangement proposed by the Scheme Companies as set out in Annexure B of this Explanatory Statement.

Unsecured Creditors' Scheme Meeting means the meeting of the Unsecured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Unsecured Creditors' Scheme, and includes any adjournment of that meeting.

Unsecured Debt means:

- (a) the TLA Unsecured Debt;
- (b) the TLB Unsecured Debt;
- (c) the SSN Unsecured Debt; and
- (d) the SUN Debt.

Unsecured Scheme Administrators means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Unsecured Creditors' Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Unsecured Scheme Administrators Deed Poll.

Unsecured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of the Unsecured Creditors' Scheme and executed by the Unsecured Scheme Administrators.

Unsecured Scheme Consideration means the Creditor Schemes Transaction Securities to be issued to Unsecured Scheme Creditors in accordance with Implementation Step 1 (*Issue of Shares and New Warrants*) of the Restructuring Implementation Deed.

Unsecured Scheme Claim means a Claim in respect of any Liability of a Scheme Company, an Obligor or a Released Individual to any person arising out of:

- (a) the TLA Unsecured Debt, the TLB Unsecured Debt, the SSN Unsecured Debt or the SUN Debt; or
- (b) the Creditors' Schemes Finance Documents,

in each case, arising on or before the Creditors' Scheme Implementation Date (including, for the avoidance of doubt, any interest accruing on such claims up to the Creditors' Scheme Implementation Date).

Unsecured Scheme Creditors means:

- (a) for the purposes of receiving this Explanatory Statement and voting at the Unsecured Creditors' Scheme Meeting, the Unsecured Creditors as at the Voting Entitlement Record Date; and
- (b) for the purposes of being bound by the Unsecured Creditors' Scheme and Restructuring Implementation Deed, the Unsecured Creditors as at the Scheme Effective Date for the Unsecured Creditors' Scheme.

U.S. Bankruptcy Code means Title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended).

U.S. Bankruptcy Court means the United States Bankruptcy Court for the Southern District of New York.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

Voting Entitlement Record Date means 3:00 pm (Sydney) on 2 August 2021.

Votrant means Votrانت No. 1609 Pty Limited ACN 119 244 272.

Warranties means any warranties given by the Scheme Companies in favour of the Secured Scheme Creditors and Unsecured Scheme Creditors under the RSA and any warranties given by the Secured Scheme Creditors and Unsecured Scheme Creditors in favour of each other or the Scheme Companies under the RSA in contemplation of the transactions to be effected by, or in connection with, the BLY Creditor Schemes.

Warrants means warrants issued by BLY.

Warrant Shares means the Shares to be issued to a holder of a New Warrant on exercise of the New Warrants.

ANNEXURE A

Secured Creditors' Scheme of Arrangement



Scheme of Arrangement

Boart Longyear Limited

ACN 123 052 728

and

Boart Longyear Management Pty Limited

ACN 123 283 545

and

Boart Longyear Australia Pty Limited

ACN 000 401 025

and

Boart Longyear Investments Pty Limited

ACN 124 070 373

and

Votraint No. 1609 Pty Limited

ACN 119 244 272

and

BL Capital Management LLC

ARBN 649 445 321

and

BLY US Holdings Inc.

ARBN 649 445 394

and

The Secured Scheme Creditors

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BETWEEN:

- (1) **Boart Longyear Limited** ACN 123 052 728 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY**);
 - (2) **Boart Longyear Management Pty Limited** ACN 123 283 545 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY Issuer**);
 - (3) **Boart Longyear Australia Pty Ltd** ACN 000 401 025 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLA**);
 - (4) **Boart Longyear Investments Pty Limited** ACN 124 070 373 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLI**);
 - (5) **Votrait No. 1609 Pty Limited** ACN 119 244 272 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**Votrait**);
 - (6) **BL Capital Management LLC** ARBN 649 445 321 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BCM**);
 - (7) **BLY US Holdings Inc.** ARBN 649 445 394 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY US**);
- ((1) to (7) together being the **Scheme Companies**); and
- (8) the **Secured Scheme Creditors**.

RECITALS:

- (A) This Scheme is proposed in connection with Claims against the Scheme Companies and other Obligors by the Secured Scheme Creditors under the Creditors' Schemes Finance Documents.
- (B) Pursuant to this Scheme and the Unsecured Creditors' Scheme and as set out in the Explanatory Statement, BLY has also agreed to offer the Creditor Share Purchase Option to SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders in accordance with the terms set out in this Scheme and the Unsecured Creditors' Scheme.
- (C) This Scheme contemplates the Secured Scheme Creditors entering into the Secured Creditors' Scheme Deed Poll and the RID.
- (D) This Scheme attributes actions to persons other than the Scheme Companies and the Secured Scheme Creditors, being the Agent, the TLB Collateral Agent, the SSN Trustee, each other Obligor, each Released Individual, and each Secured Scheme Administrator.
- (E) Each of the Agent, the TLB Collateral Agent and the SSN Trustee have undertaken that, immediately after they have received the instructions referred to in, or contemplated by, clause 7 (*Pre-Implementation Steps*) of the RID, each of the Agent, the TLB Collateral Agent and the SSN Trustee will, pursuant to the Agent Deed Poll, the TLB Collateral Agent Deed Poll and the SSN Trustee Deed Poll, respectively, perform all actions attributed to them under this Scheme.
- (F) Each Obligor, pursuant to the Obligors Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if it were a party to this Scheme and undertaken to perform all obligations and actions attributed to it under this Scheme once this Scheme becomes Effective.

- (G) Each Released Individual pursuant to the Released Individuals Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if it were a party to this Scheme and undertaken to perform all obligations and actions attributed to it under this Scheme once this Scheme becomes Effective.
- (H) The Secured Scheme Administrators, pursuant to the Secured Scheme Administrators Deed Poll, have consented to act as Secured Scheme Administrators, consented to this Scheme, agreed to be bound by this Scheme as if they were a party to this Scheme and undertaken to perform all obligations and actions attributed to the Secured Scheme Administrators under this Scheme once this Scheme becomes Effective.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Scheme, the following words, expressions and abbreviations have the following meanings, unless the context otherwise requires:

Account Holder means a person recorded directly in the records of Cede & Co. and DTC as holding an interest in the SSN Indenture or SUN Indenture (as applicable) in an account held with DTC.

Administrative Agent means:

- (a) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan A;
- (b) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan B; and
- (c) any successor administrative agent under the Term Loan A or Term Loan B.

Agent means the Administrative Agent or the Collateral Agent or both of them, as the context requires.

Agent Deed Poll means the deed poll substantially in the form set out in Schedule 5 of this Scheme and to be executed by the Agents as contemplated in clause 4.1(a) of this Scheme and clause 7(c)(i) of the RID.

AHG means each entity listed in the table under the row "AHG" in schedule 1 to the RID, and their permitted transferees and assigns and **AHG Member** means any one of them.

AHG Director Nomination Agreements means each agreement between one or more AHG Members and BLY in relation to the nomination of the AHG Nominee Directors as directors of BLY to be entered into in conjunction with this Scheme.

AHG Nominee Directors means those persons nominated by AHG to be appointed as a director of BLY pursuant to the AHG Director Nomination Agreements.

Allocated Aggregate Debt means the aggregate outstanding amount of:

- (a) 25% of the outstanding amount of the TLA Unsecured RSA Date Debt;
- (b) 25% of the outstanding amount of the TLB Unsecured RSA Date Debt;
- (c) 25% of the outstanding amount of the SSN Unsecured RSA Date Debt;

- (d) 22.5% of the outstanding amount of the SUN RSA Date Debt;
- (e) 100% of the outstanding amount of the TLA Secured RSA Date Debt;
- (f) 100% of the outstanding amount of the TLB Secured RSA Date Debt; and
- (g) 100% of the outstanding amount of the SSN Secured RSA Date Debt,

being an amount of US\$566,842,010.96.

Allocation Confirmation means the confirmation sent to each Participating SUN Noteholder and, if applicable, Other CSPO Participant setting out its allocation of Shares determined by BLY in accordance with the CSPO Allocation Principles to be issued under the Creditor Share Purchase Option provided that the Participating SUN Noteholder or Other CSPO Participant pays its subscription monies by the date required in such confirmation.

Allocations Spreadsheet means the spreadsheet prepared by BLY, and reasonably agreed to by each CBP Member and each AHG Member as soon as reasonably practicable after this Scheme becomes Effective, as the allocations spreadsheet for the purpose of this document and the RID which sets out each party's relevant entitlement to the Transaction Securities issued under the applicable Restructuring Document and distributed in accordance with the Implementation Steps, provided that it is consistent in all material respects with the terms of this Scheme and the Unsecured Creditors' Scheme.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement.

Authorised Nominee means Chess Depository Nominees Pty Limited ACN 071 346 506, Australian Financial Licence number 254514, an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

BLY Creditors' Schemes means collectively, this Scheme and the Unsecured Creditors' Scheme.

BLY Shareholder means a person entered in the register of members of BLY as the holder of a Share.

Book Entry Interest means a beneficial interest in the SSN Indenture or SUN Indenture, as the context requires, held by or through an Account Holder.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales and Adelaide, South Australia.

CBP means each entity listed in the table under the row "CBP" in schedule 1 to the RID and any of their permitted transferees and assigns, and **CBP Member** means any one of them.

CBP Director Nomination Agreement means the agreement between BLY and affiliates of CBP in relation to the nomination of the CBP Nominee Directors as directors of BLY.

CBP Nominee Directors means those persons nominated by affiliates of CBP to be appointed as a director of BLY pursuant to the CBP Director Nomination Agreement.

CDI means a CHESS Depository Interest, that being a unit of beneficial ownership in a Principal Financial Product (as that term is defined in the ASX Settlement Operating Rules) that is registered in the name of the Authorised Nominee in accordance with the ASX

Settlement Operating Rules, for the purpose of enabling the securities to be recorded and transferred in accordance with those operating rules.

Change of Control Event has the meaning given in clause 14.3(c).

Claim means, in relation to a person, any claim, allegation, cause of action, proceeding, debt, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

Collateral Agent means:

- (a) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan A;
- (b) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan B;
- (c) any successor collateral agent under the Term Loan A or Term Loan B.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs means costs, charges, fees and expenses.

Court means the Supreme Court of New South Wales.

Creditor Share Purchase Option means the option for each TLA Purchaser, TLB Purchaser, SSN Noteholder and SUN Noteholder which is a Secured Scheme Creditor or an Unsecured Scheme Creditor to subscribe for Shares at the CSPO Issue Price with the Shares to be allocated by BLY in accordance with the CSPO Allocation Principles and issued in accordance with clause 12 (*Creditor Share Purchase Option*) of this Scheme and clause 12 (*Creditor Share Purchase Option*) of the Unsecured Creditors' Scheme, subject to a maximum cap on the amount to be raised by BLY from the issue of the Shares equal to the CSPO Cap Amount.

Creditors' Scheme Implementation Date has the meaning given to that term in the RID.

Creditors' Schemes Finance Document means:

- (a) each of the documents listed in Schedule 1 to this Scheme other than an Incremental Finance Document;
- (b) any document entered into by a Scheme Company under which it has granted a security interest over its property to secure the Secured Money; and
- (c) any other document designated as:
 - (i) a Loan Document under the Term Loan A and Term Loan B; or
 - (ii) a Notes Document under the SSN Indenture.

Creditors' Schemes Restructuring Effective Time means the time at which all of the Implementation Steps in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) to 8(h) (*Step 8 (Confirmation of Scheme Restructuring Effective Time)*) of the RID have been completed.

CSPO Allocation Principles means the principles set out below pursuant to which Shares will be allocated by BLY under the Creditor Share Purchase Option and adjusted as a result of any rounding required by clause 12(b):

- (a) **(Firstly, allocations to Participating SUN Noteholders):** Shares will first be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on the following basis:
 - (i) *(Initial pro rata allocation to Participating SUN Noteholders)* the Shares available under the CSPO Cap Amount will initially be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Participating SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Participating SUN Noteholders as at the Voting Entitlement Record Date, provided that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
 - (ii) *(Allocation of undersubscriptions to other Participating SUN Noteholders)* if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the initial pro rata allocation to Participating SUN Noteholders (or their Permitted CSPO Nominee) under paragraph (a)(i) above, the remaining available Shares will be allocated to the Participating SUN Noteholders (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (a)(i) above (**Oversubscribing Participating SUN Noteholders**) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Oversubscribing SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Oversubscribing Participating SUN Noteholders as at the Voting Entitlement Record Date, provided always that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
 - (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (B) each Participating SUN Noteholder (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
- (b) **(Secondly, allocations to Other CSPO Participants):** If the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocation of Shares to Participating SUN Noteholders (or their Permitted CSPO Nominees) under paragraph (a) above, then the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on the following basis:
 - (i) *(Initial pro rata allocation to Other CSPO Participants)* the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Other CSPO Participant under the

BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Other CSPO Participants under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option), provided that the maximum number of Shares that will be allocated to Other CSPO Participants (or their Permitted CSPO Nominees) pursuant to the Creditor Share Purchase Option will be the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter; and

- (ii) *(Allocation of undersubscriptions to Other CSPO Participants)* if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocations under paragraphs (a) and (b)(i) above, the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (b)(i) above (**Oversubscribing Other CSPO Participants**) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Oversubscribing Other CSPO Participant under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Oversubscribing Other CSPO Participants under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option), provided always that the maximum number of Shares that will be allocated to an Other CSPO Participant (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
- (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
- (B) each Other CSPO Participant (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter.

CSPO Cap Amount means an amount equal to the aggregate of US\$2.5 million plus any unsubscribed amount under the Share Purchase Plan.

CSPO Issue Price means the issue price of the Shares to be issued under the Creditor Share Purchase Option, being A\$2.48 per Share.

Custody Instructions means a custody instruction delivered to DTC to tender SSN Indenture notes identified in a SSN Account Holder Letter as being held at DTC through DTC's Automated Tender Offer Program.

Deed Poll means the Secured Scheme Administrators Deed Poll, the Agent Deed Poll, the TLB Collateral Agent Deed Poll, the SSN Trustee Deed Poll, the Secured Creditors' Scheme Deed Poll, the Obligors Deed Poll or the Released Individuals Deed Poll, as the context requires, and **Deeds Poll** means all of them or any combination of them, as the context requires.

Demands has the meaning given in clause 6.5(c).

Depository Trust Company or **DTC** means The Depository Trust Company, a central securities depository registered as a clearing agency with the Securities Exchange Commission.

Designated Recipient means any Permitted Assignee of a Secured Scheme Creditor who is not an Ineligible Person appointed under a validly completed and timely delivered TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter (as applicable) submitted to the Information Agent on behalf of a Secured Scheme Creditor to receive the consideration allocated to that Secured Scheme Creditor under this Scheme.

Director Nomination Agreement means each AHG Director Nomination Agreement and the CBP Director Nomination Agreement.

Effective means, when used in relation to this Scheme, the coming into effect of the Second Court Orders pursuant to section 411(10) of the Corporations Act.

Eligible SPP Shareholders means a BLY Shareholder who:

- (a) is registered as a BLY Shareholder on the BLY share register on the SPP Record Date with a registered address in Australia or New Zealand;
- (b) is not in the United States and is not acting for the account or benefit of a person in the United States; and
- (c) is eligible under applicable securities law to receive an offer under and participate in the Share Purchase Plan.

Existing Backstop ABL means the Term Loan Securities Agreement dated as of 23 July 2017 (as amended by the First Amendment to Term Loan Securities Agreement dated as of 5 August 2017, the Second Amendment to Term Loan Securities Agreement dated as of 31 August 2017, the Third Amendment to Term Loan Securities Agreement dated as of 24 July 2019, the Fourth Amendment to Term Loan Securities Agreement dated as of 19 March 2020, the Fifth Amendment to Term Loan Securities Agreement dated as of 1 June 2021 and as further amended, varied or amended and restated from time to time), between, amongst others, BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities with a final repayment date of the earlier of 22 October 2022 and 90 days following the final repayment date under the Existing PNC ABL.

Existing Options has the meaning given to that term in the RID.

Existing PNC ABL means the Amended and Restated Revolving Credit and Security Agreement, originally dated as of July 23, 2017, among PNC Bank National Association as lender and as agent, BLY Issuer as a borrower and the guarantors party thereto as amended by the document titled "Seventh Amendment to Amended and Restated Revolving Credit and Security Agreement" among PNC Bank National Association as lender and as agent and BLY Issuer as borrower.

Existing Warrants has the meaning given to that term in the RID.

Exit Financier has the meaning given to that term in the RID.

Exit Financing Facility means financing made available under a new money facility which shall:

- (a) be available for drawing by BLY US or another member of the Group;
- (b) be a five year term loan facility with a total aggregate commitment of US\$115,000,000 available for the purposes, amongst other things, of fully refinancing outstanding amounts (including, but not limited to, principal, interest and fees) under each of the Incremental Finance Facility and the Existing Backstop ABL; and

- (c) subject to certain conditions precedent, be available for drawing following completion of Step 1 and Step 2 (as set out in clause 8(a) and clause 8(b) (respectively) of the RID) in accordance with the RID.

Explanatory Statement means the explanatory statement to this Scheme and the Unsecured Creditors' Scheme prepared in accordance with the Corporations Act.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including the Treasurer of the Commonwealth of Australia), ASIC, the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any stock exchange.

Group means BLY and its subsidiaries.

Implementation Steps has the meaning given to that term in the RID.

Incremental Finance Documents means together:

- (a) the Incremental Finance Facility; and
- (b) any Loan Document (as that term is defined in the Incremental Finance Facility).

Incremental Finance Facility means the Term Loan Securities Agreement, dated as of 1 June 2021 by and among BLY Issuer, as issuer, the guarantors party thereto, the purchasers party thereto, Wilmington Trust, National Association, as agent and U.S. Bank National Association, as collateral agent, and providing for the issuance of term loan securities with a final repayment date of 31 December 2021.

Indemnified Liabilities has the meaning given in clause 6.5(a).

Ineligible Person means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or, if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

Information Agent means Prime Clerk LLC.

Liability means any debt, liability or obligation of a person whether it is present, future, prospective or contingent, whether or not it is fixed or undetermined, whether or not it involves the payment of money or performance of an act or obligation and whether it arises by contract, at common law, in equity, by statute or otherwise in Australia or any other jurisdiction, or in any manner whatsoever.

Long Term Equity Incentive Plan means the Boart Longyear Limited 2020 Long Term Incentive Plan approved at BLY's Annual General Meeting on 31 July 2021.

Losses has the meaning given in clause 6.5(b).

Maximum Committed Securities means the maximum number of Shares the relevant Scheme Creditor (or its Permitted CSPO Nominee) is willing to subscribe for under the

Creditor Share Purchase Option, as listed in its duly executed and delivered TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable).

Members' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between BLY and the BLY Shareholders, pursuant to which BLY will become a wholly owned subsidiary of New BLY Parent by the transfer of all Shares to New BLY Parent in exchange for the issue of New BLY Parent CDIs to BLY Shareholders.

Members' Scheme Effective Time means the time at which all of the Implementation Steps in clauses 8(i) (*Step 9 (Assumption Deed Poll)*) to 8(j) (*Step 10 (Members' Scheme Implementation)*) of the RID have been completed.

New BLY Parent means Boart Longyear Ltd. (Ontario Corporation No. 002854330), a limited company incorporated in Ontario, Canada, with registered address Suite 2400, 333 Bay Street, Toronto, Canada, which is a newly incorporated company established for the purposes of the Members' Scheme.

New BLY Parent CDI means a CDI representing a beneficial interest in one New BLY Parent Share.

New BLY Parent Share means one common share in the capital of New BLY Parent.

New Common Equity means the total number of new Shares to which Secured Scheme Creditors and Unsecured Scheme Creditors are entitled pursuant to the BLY Creditors' Schemes (but excluding the Creditors Share Purchase Option) and allocated in accordance with the Allocations Spreadsheet determined by applying the following formula and adjusted as a result of any rounding required by clause 7(b):

(Pre-restructuring Share Capital / 0.015) – Pre-restructuring Share Capital

New Warrants means the warrants issued by BLY on the terms set out in Schedule 11 to the Unsecured Creditors' Scheme with a strike price of AU\$2.79.

Nominee has the meaning given to that term in clause 8.1(a).

Obligors means each of:

- (a) BLY;
- (b) BLY Issuer;
- (c) BLA;
- (d) BLI;
- (e) BCM;
- (f) BLY US;
- (g) Boart Longyear Canada;
- (h) Boart Longyear Chile Limitada;
- (i) Boart Longyear Company;
- (j) Boart Longyear Manufacturing and Distribution Inc.;
- (k) Boart Longyear Manufacturing Canada Ltd.;

- (l) Boart Longyear S.A.C.;
- (m) Boart Longyear Suisse Sarl;
- (n) Longyear Canada, ULC;
- (o) Longyear TM, Inc.;
- (p) Votraint; and
- (q) BLY IP Inc.

Obligors Deed Poll means the deed poll executed by the Obligors substantially in the form set out in Schedule 9 of this Scheme.

Other CSPO Participant means TLA Purchasers, TLB Purchasers and SSN Noteholders who are either a Secured Scheme Creditor or an Unsecured Scheme Creditor who complete and return to the Information Agent a TLA Proof of Debt Form, TLB Proof of Debt Form or a SSN Account Holder Letter (as applicable) with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Participating SUN Noteholder means SUN Noteholders who are Unsecured Scheme Creditors and who complete and return to the Information Agent the SUN Account Holder Letter with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Permitted Assignee means, in respect of a Secured Scheme Creditor, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by that Secured Scheme Creditor.

Permitted CSPO Nominee means a person (who is not an Ineligible Person) nominated by a Participating SUN Noteholder or Other CSPO Participant to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA or accedes to the RSA; and
- (b) the Participating SUN Noteholder or Other CSPO Participant specifies the nominee's name and details in the relevant section titled 'Creditor Share Purchase Option' of their SUN Account Holder Letter, SSN Account Holder Letter, TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable).

Pre-restructuring Share Capital means the total number of Shares on issue by BLY immediately prior to the commencement of the Implementation Steps, with the number of Shares determined:

- (a) following the Share Consolidation to occur prior to the Creditors' Scheme Implementation Date;
- (b) before the buy-back of any Shares under the Selective Buy-Back;
- (c) before the issue of any Shares on the exercise of any New Warrants;
- (d) before the issue of any Shares on the exercise of Existing Warrants or Existing Options on or after the Creditors' Scheme Implementation Date;
- (e) before the issue of any Shares under the Long Term Equity Incentive Plan on or after the Creditors' Scheme Implementation Date; and

- (f) before the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option.

Proposed AHG Acquisitions has the meaning given to that term in clause 3.1(b).

Proposed CBP Acquisitions has the meaning given to that term in clause 3.1(a).

Released Individual means each person who was, at any time between 23 August 2017 and the Creditors' Scheme Implementation Date inclusive, a director or officer of any Obligor who has executed, or at any time executes (including by way of joinder), a Released Individuals Deed Poll.

Released Individuals Deed Poll means the deed poll substantially in the form set out in Schedule 8 of this Scheme.

Restructuring Document has the meaning given to that term in the RID.

RID means the Restructuring Implementation Deed substantially in the form set out in Schedule 2 of this Scheme and to be executed by a Secured Scheme Administrator on behalf of the Secured Scheme Creditors as contemplated by clause 5.1 of this Scheme.

RSA means the Restructuring Support Agreement entered into between, among others, BLY and BLY Issuer, dated 12 May 2021.

RSA Date means 12 May 2021, being the commencement date of the RSA.

Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors as set out in this document, subject to any alterations or conditions made or required by the Court.

Scheme Companies is as defined in the recitals to this Scheme.

Scheme Consideration Election Window means the period on and from the date which is notified by BLY as the date being at least five (5) Business Days prior to the Scheme Effective Date up to (but not including) the Scheme Effective Date.

Scheme Creditor means each Secured Scheme Creditor and Unsecured Scheme Creditor.

Scheme Effective Date means the date on which each of the conditions precedent in clause 3.1 have been satisfied.

Second Court Date means the first day of the hearing of an application made to the Court for the Second Court Orders or, if the hearing of such application is adjourned for any reason, means the first day to which the hearing is adjourned.

Second Court Orders means the orders of the Court approving this Scheme under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

Secured Creditors' Scheme Deed Poll means the deed poll executed by the Secured Scheme Administrator as attorney and agent for the Secured Scheme Creditors as contemplated by clauses 5.2 of this Scheme and clause 7(a) of the RID in substantially the form set out in Schedule 4.

Secured Creditors' Scheme Meeting means the meeting of the Secured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment of that meeting.

Secured Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by a Scheme Company to a Secured Scheme

Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee on any account at any time under or in connection with the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture or any transaction contemplated by those documents:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;
- (c) whether a Secured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which a Secured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable;
- (d) whether due to a Scheme Company alone or with another person;
- (e) whether a Scheme Company is entitled for its own account or the account of another person;
- (f) whether arising from a banker and customer relationship or any other relationship;
- (g) whether originally contemplated by a Secured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee or a Scheme Company or not;
- (h) whether a Scheme Company is the original person in whose favour the undertakings in the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture were given or an assignee and, if a Secured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is an assignee:
 - (i) whether or not a Secured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with the security interests; and
- (i) if determined pursuant to any award, order or judgment against a Scheme Company, whether or not that Scheme Company was a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Property means all property that is subject to a security interest under the Creditors' Schemes Finance Documents.

Secured Scheme Administrator means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of this Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Secured Scheme Administrators Deed Poll.

Secured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of this Scheme and executed by the Secured Scheme Administrators.

Secured Scheme Claim means a Claim in respect of any Liability of a Scheme Company, an Obligor or a Released Individual to any person arising out of:

- (a) the TLA Secured Debt, the TLB Secured Debt or the SSN Secured Debt; or
- (b) the relevant Creditors' Schemes Finance Documents,

in each case, arising on or before the Creditors' Scheme Implementation Date (including, for the avoidance of doubt, any interest accruing on such claims up to the Creditors' Scheme Implementation Date).

Secured Scheme Consideration means the Transaction Securities to be issued to Secured Scheme Creditors in accordance with Implementation Step 1 (*Issue of Shares and New Warrants*) of the RID.

Secured Scheme Creditors means, as at the Scheme Effective Date, in respect of:

- (a) the Term Loan A, each TLA Purchaser with TLA Secured Debt;
- (b) the Term Loan B, each TLB Purchaser with TLB Secured Debt;
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Secured Debt; and
 - (ii) SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co.

Selective Buy-Back means selective buy-back described in the selective buy-back booklet dated on or about the date of the Explanatory Statement pursuant to which eligible BLY Shareholders holding parcels of Shares worth less than AU\$3,000 may offer to sell their Shares to BLY on the terms set out in the selective buy-back booklet and subject to BLY's absolute discretion to decide whether to accept (in whole or in part) or reject any offers received from BLY Shareholders (and subject to the maximum amount that can be expended by BLY in purchasing the shares being limited to US\$500,000).

Share Consolidation means the conversion of every 20 Shares into 1 Share.

Share Purchase Plan means the share purchase plan offered to Eligible SPP Shareholders on the terms set out in the share purchase plan booklet dated on or about the date of the Explanatory Statement, pursuant to which Eligible SPP Shareholders may subscribe for up to A\$30,000 worth of Shares, provided that the maximum amount to be raised by the share purchase plan is US\$2.5 million.

Shareholder Resolutions means resolutions of BLY Shareholders at a general meeting of the BLY Shareholders:

- (a) to grant approval for the purposes of ASX Listing Rule 7.1 to the extent required for BLY to give effect to the Transactions;
- (b) to grant approval for the purposes of ASX Listing Rule 10.11 to the extent required for BLY to give effect to the Transactions;
- (c) to grant approval for the purposes of item 7 of section 611 of the Corporations Act to the extent required for BLY to give effect to the Transactions, to permit any transfers of Transaction Securities between AHG Members from time to time and as BLY may additionally require;
- (d) to grant approval for the purposes of section 208 of the Corporations Act to the extent required for BLY to give any financial benefit to a related party by giving effect to the Transactions; and

- (e) to grant approval for the purposes of section 254H of the Corporations Act to give effect to the Share Consolidation.

Shares means fully paid ordinary shares in the capital of BLY.

SPP Record Date means 7:00pm (Sydney time) on 28 July 2021.

SSN Account Holder Letter means an account holder letter substantially in the form set out at Annexure K to the Explanatory Statement, to be completed and lodged with the Information Agent by the relevant Account Holders (pursuant to the instructions of the relevant SSN Noteholder) for the purpose of, among other things, enabling each relevant SSN Noteholder to, amongst other things:

- (a) vote at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

SSN Indenture means the indenture dated 27 September 2013, between, among others, the BLY Issuer, as issuer, BLY, as parent, BLA, BLI, Votraint, BCM and BLY US, as guarantors, amongst others, and U.S. Bank National Association, as trustee and collateral agent, in respect of the 12.00% / 10.00% secured notes, as amended by the first supplemental indenture dated 31 August 2017, the second supplemental indenture dated 18 September 2017, the third supplemental indenture dated 31 December 2018, the fourth supplemental indenture dated 17 July 2019, the fifth supplemental indenture dated 24 June 2020, and the sixth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SSN Noteholders means each person with a Book Entry Interest in the SSN Indenture.

SSN Notes Registered Holder means the "Holder" or "Securityholder" as those terms are defined in the SSN Indenture, being Depository Trust Company.

SSN Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

SSN Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to this Scheme, calculated by reference to the proportion that 100% of the outstanding amount of SSN Secured RSA Date Debt, being the amount of US\$303,567,773.87, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

SSN Secured RSA Date Debt means the amount of SSN Secured Debt as at the RSA Date, being US\$303,567,773.87.

SSN Trustee means U.S. Bank National Association in its capacity as trustee and collateral agent under the SSN Indenture and any successor trustee or collateral agent under that document.

SSN Trustee Deed Poll means the deed poll substantially in the form set out in Schedule 7 of this Scheme and to be executed by the SSN Trustee as contemplated in clause 4.3 of this Scheme and clause 7(c)(iii) of the RID.

SSN Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is unsecured pursuant to the terms of the relevant Creditors' Scheme Finance Documents.

SSN Unsecured RSA Date Debt means the amount of SSN Unsecured Debt as at the RSA Date, being US\$44,924,586.44.

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

Standard Tax Conditions means the "'Standard' tax conditions" set out in Part D of the Foreign Investment Review Board Guidance note 12 (Tax Conditions) dated 18 December 2020.

Standstill Period has the meaning given in clause 14.1(a).

SUN Account Holder Letter means an account holder letter substantially in the form set out at Annexure L to the Explanatory Statement, to be completed and lodged with the Information Agent by the relevant Account Holders (pursuant to the instructions of the relevant SUN Noteholder) for the purpose of, among other things, enabling each relevant SUN Noteholder to, amongst other things:

- (a) vote at the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Unsecured Creditors' Scheme Meeting.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SUN Noteholders under the relevant Creditors' Schemes Finance Documents.

SUN Indenture means the indenture dated 28 March 2011 between the BLY Issuer, as issuer, BLY, as guarantor, and Delaware Trust Company as trustee, amongst others, as amended by the first supplemental indenture dated 14 June 2013, the second supplemental indenture dated 27 September 2013, the third supplemental indenture dated 2 April 2017, the fourth supplemental indenture dated 31 August 2017, the fifth supplemental indenture dated 18 September 2017, the sixth supplemental indenture dated 31 December 2018, the seventh supplemental indenture dated 17 July 2019, the eighth supplemental indenture dated 15 June 2020, and the ninth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SUN Noteholders means each person with a Book Entry Interest in the SUN Indenture.

SUN RSA Date Debt means the amount of SUN Debt as at the RSA Date, being US\$93,944,522.71.

SUN Trustee means Delaware Trust Company, in its capacity as trustee under the SUN Indenture and any successor trustee or collateral agent under that document.

Sunset Date means 31 December 2021.

Term Loan A means the Term Loan A Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votraint and BLY US, as guarantors, the TLA Purchasers, and Wilmington Trust, National Association, as administrative agent and collateral agent, pursuant to which term loan securities were issued, as amended by the First Amendment to Term Loan A Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan A Securities Agreement dated 24 June 2020, and the Third Amendment to Term Loan A Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

Term Loan B means the Term Loan B Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votraint and BLY US, as guarantors, the TLB Purchasers, and Wilmington Trust, National Association, as

administrative agent and collateral agent, pursuant to which term loan securities were issued, as amended by the First Amendment to Term Loan B Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan B Securities Agreement dated 24 June 2020, and the Third Amendment to Term Loan B Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

TLA Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure H of the Explanatory Statement which may be lodged with the Information Agent by the TLA Purchasers for the purpose of, amongst other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLA Proxy Form means the TLA Proxy Form completed by a TLA Purchaser in accordance with and substantially in the form set out in the Explanatory Statement.

TLA Purchasers means the "Purchasers" as that term is defined in the Term Loan A.

TLA Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to this Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLA Secured RSA Date Debt, being the amount of US\$85,000,000.00, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

TLA Secured RSA Date Debt means the amount of TLA Secured Debt as at the RSA Date, being US\$85,000,000.00.

TLA Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Unsecured RSA Date Debt means the amount of TLA Unsecured Debt as at the RSA Date, being US\$75,336,984.87.

TLB Collateral Agent means U.S. Bank National Association in its capacity as collateral agent for the TLB Purchasers and any successor trustee or collateral agent.

TLB Collateral Agent Deed Poll means the deed poll substantially in the form set out in Schedule 6 of this Scheme and to be executed by the TLB Collateral Agent as contemplated in clause 4.2 of this Scheme and clause 7(c)(ii) of the RID.

TLB Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure J of the Explanatory Statement which may be lodged with the Information Agent by the TLB Purchasers for the purpose of, among other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLB Proxy Form means the TLB Proxy Form completed by a TLB Purchaser in accordance with and substantially in the form set out in the Explanatory Statement.

TLB Purchasers means the "Purchasers" as that term is defined in the Term Loan B.

TLB Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is secured pursuant to the terms of the relevant Creditors' Scheme Finance Documents.

TLB Secured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to this Scheme, calculated by reference to the proportion that 100% of the outstanding amount of TLB Secured RSA Date Debt, being the amount of US\$105,000,000.00, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

TLB Secured RSA Date Debt means the amount of TLB Secured RSA Date Debt as at the RSA Date, being US\$105,000,000.00.

TLB Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLB Unsecured RSA Date Debt means the amount of TLB Unsecured Debt as at the RSA Date, being US\$88,285,306.60.

Transaction Party means the parties to the Term Loan A, the Term Loan B, the SSN Indenture and the SUN Indenture, as applicable.

Transaction Securities has the meaning given to that term in the RID.

Transactions means the restructuring of BLY and certain of its subsidiaries as summarised in the Restructuring Term Sheet which is schedule 2 of the RSA.

Treasurer has the same meaning as it has for the purposes of the FATA.

Undertaking means:

- (a) the undertaking given by the Agent to execute the Agent Deed Poll in accordance with this Scheme;
- (b) the undertaking given by the TLB Collateral Agent to execute the TLB Collateral Agent Deed Poll in accordance with this Scheme; and
- (c) the undertaking given by the SSN Trustee to execute the SSN Trustee Deed Poll in accordance with this Scheme,

as the context requires, and **Undertakings** means all of them or any combination of them, as the context requires.

Unidentified Secured Scheme Creditors has the meaning given to that term in clause 8.2(a).

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Unsecured Scheme Creditors (as defined in the Unsecured Creditors' Scheme), being the compromise or arrangement proposed by the Scheme Companies and approved by the Court at or around the time the Court approved this Scheme.

Unsecured Creditors' Scheme Meeting means the meeting of the Unsecured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Unsecured Creditors' Scheme, and includes any adjournment of that meeting.

Unsecured Scheme Administrator means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Unsecured Creditors' Scheme, subject to section 411(7) of the

Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Unsecured Scheme Administrators Deed Poll.

Unsecured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of the Unsecured Creditors' Scheme and executed by the Unsecured Scheme Administrators.

Unsecured Scheme Creditors has the meaning given to that term in the Unsecured Creditors' Scheme.

Voting Entitlement Record Date means 3:00 pm (Sydney) on 2 August 2021.

1.2 **Rules for interpreting this document**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
- (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, restated, amended and restated, supplemented, replaced, novated, extended or otherwise modified from time to time;
 - (iii) a party is a reference to a person who is bound by this Scheme, and any person who agrees to be bound whether by deed poll or otherwise;
 - (iv) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (v) a clause, term, schedule or attachment is a reference to a clause or term of, or, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment; and
 - (D) any rule or principle of common law or equity,and is a reference to that law as amended, supplemented, consolidated, replaced, overruled or applied to new or different facts;
 - (viii) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;

- (ix) "**dollars**" or "**US\$**" or "**\$**" is to an amount in the currency of the United States of America unless otherwise indicated;
 - (x) "**AU\$**" is to an amount in the currency of the Commonwealth of Australia;
 - (xi) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing; and
 - (xii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
 - (c) A word which suggests one gender includes the other genders.
 - (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) Unless expressly provided otherwise, an agreement on the part of two or more persons binds them severally.
 - (g) Unless expressly provided otherwise, a reference to a date or time is to that date or time in Sydney, New South Wales.
 - (h) The expressions subsidiary, holding company and related body corporate have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

1.5 **The rule about "contra proferentem"**

This document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision of it or because that party relies on a provision of this document to protect itself.

2. **CAPACITY OF THE AGENT, THE TLB COLLATERAL AGENT AND THE SSN TRUSTEE**

Any action taken (including the giving of any release) in connection with this Scheme by:

- (a) the Agent, or on its behalf, is done in its capacity as administrative agent or collateral agent, or both, under the Term Loan A or Term Loan B, as the context requires, and not in the Agent's personal capacity;
- (b) the TLB Collateral Agent, or on its behalf, is done in its capacity as collateral agent, for the TLB Purchasers and not in the TLB Collateral Agent's personal capacity or in its capacity as agent or collateral agent for any other person; and
- (c) the SSN Trustee, or on its behalf, is done in its capacity as trustee or collateral agent under the SSN Indenture and not in the SSN Trustee's personal capacity.

3. **CONDITIONS PRECEDENT**

3.1 **Conditions**

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) **(FATA - CBP)** at or before 8.00 am on the Second Court Date, either:
 - (i) the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any CBP Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed CBP Acquisitions**) and such approval is not subject to any conditions other than the Standard Tax Conditions or any other condition which is acceptable to each CBP Member that is subject of it acting reasonably; or
 - (ii) following notice of the Proposed CBP Acquisitions having been given by CBP to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired.
- (b) **(FATA - AHG)** at or before 8.00 am on the Second Court Date, either:
 - (i) the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any AHG Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed AHG Acquisitions**) and such approval is not subject to any conditions other than the Standard Tax Conditions or any other condition which is acceptable to each AHG Member that is the subject of it acting reasonably; or
 - (ii) following notice of the Proposed AHG Acquisitions having been given by AHG to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired;
- (c) **(Shareholder approval)** at or before 8.00 am on the Second Court Date, each of the Shareholder Resolutions are passed by the requisite majorities of BLY Shareholders;
- (d) **(ASX approval)** at or before 8.00 am on the Second Court Date, ASX provides written confirmation that the terms of the New Warrants are appropriate and

equitable for the purposes of ASX Listing Rule 6.1 or otherwise waives the requirement for the New Warrants to comply with ASX Listing Rule 6.1;

- (e) **(Director Nomination Agreements)** at or before 8.00 am on the Second Court Date, each Director Nomination Agreement has been executed by the parties to that Director Nomination Agreement;
- (f) **(deeds poll)** as at 8.00 am on the Second Court Date:
 - (i) the Secured Scheme Administrators Deed Poll and the Obligors Deed Poll have been executed by the Secured Scheme Administrators and the Obligors respectively and continue to benefit the beneficiaries named in those deeds poll in accordance with their terms; and
 - (ii) no such Deed Poll has been terminated;
- (g) **(undertaking)** as at 8.00 am on the Second Court Date:
 - (i) the Undertakings have been executed by the Agents, the TLB Collateral Agent and the SSN Trustee and continue to benefit the beneficiaries named in those Undertakings in accordance with their terms; and
 - (ii) no such Undertakings have been terminated;
- (h) **(Exit Financing Facility)** as at 8.00 am on the Second Court Date, the credit agreement for the Exit Financing Facility has been duly executed and delivered by all parties to it and all conditions precedent to the initial drawing under the Exit Financing Facility have been satisfied, other than any conditions relating to:
 - (i) this Scheme and the Unsecured Creditors' Scheme becoming Effective;
 - (ii) no amendments, waivers or modifications to the RSA, RID, this Scheme or the Unsecured Creditors' Scheme having been made since 8:00 am on the Second Court Date, other than any amendments, waivers or modifications that are not materially adverse to the interests of the Exit Financiers unless the prior written consent of the Exit Financiers was obtained (such consent not to be unreasonably withheld or delayed);
 - (iii) each Implementation Step in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) and 8(b) (*Step 2 (Releases)*) of the RID having been completed in accordance with their terms; and
 - (iv) any conditions which the Exit Financier has agreed to waive or defer;
- (i) **(Regulatory Approvals)** as at 8.00 am on the Second Court Date, any approvals or consents, which are not otherwise described in this clause 3.1 but which are required by law or by any Government Agency to have been obtained by the Scheme Companies to implement this Scheme or the Unsecured Creditors' Scheme, have been obtained on an unconditional basis and remain in full force and effect;
- (j) **(RSA)** as at 8.00 am on the Second Court Date, the RSA has not been terminated in accordance with its terms and each of the conditions precedent in clause 5.1 (*Conditions*) of the RSA (other than condition 10 (*Court approval*) and condition 17 (*Exit Financing*)) have either been satisfied or waived in accordance with the terms of the RSA;
- (k) **(RID)** as at 8.00 am on the Second Court Date, the RID has been duly executed and delivered by all parties to the RID, save for each party to that document relying on

authorities or instructions given under, or in connection with, this Scheme or the Unsecured Creditors' Scheme;

- (l) **(Court approval)** the Court makes the Second Court Orders, including with such alterations or conditions required by the Court under section 411(6) of the Corporations Act and the alterations or conditions (if any) satisfy at least one of the following:
 - (i) they do not change the substance of this Scheme in any material respect or impose unduly onerous obligations on any of the parties, acting reasonably; or
 - (ii) they have the approval of at least 75% of the Secured Scheme Creditors who voted at the Secured Creditors' Scheme Meeting and each Obligor;
- (m) **(Secured Creditors' Scheme Effective)** this Scheme becomes Effective; and
- (n) **(Unsecured Creditors' Scheme)** the court order pursuant to section 411(4)(b), and if applicable section 411(6), of the Corporations Act in respect of the Unsecured Creditors' Scheme becomes effective pursuant to section 411(10) of the Corporations Act.

3.2 **Certificate**

The certificate provided by the Scheme Companies to the Court (or such other evidence as the Court requested) on the Second Court Date constitutes conclusive evidence, as between the parties, that the conditions precedent set out in clauses 3.1(a) to 3.1(k) have been satisfied.

4. **THE AGENT, THE TLB COLLATERAL AGENT AND THE SSN TRUSTEE**

4.1 **The Agent**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the TLA Purchasers and the TLB Purchasers hereby:

- (a) direct the Agent to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and
- (b) provide the Agent with all other instructions and consents that are necessary to enable the Agent to do anything that this Scheme or the RID requires or otherwise provides for the Agent to do.

4.2 **TLB Collateral Agent**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the TLB Purchasers hereby:

- (a) direct the TLB Collateral Agent to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and

- (b) provide the TLB Collateral Agent with all other instructions and consents that are necessary to enable the TLB Collateral Agent to do anything that this Scheme or the RID requires or otherwise provides for the TLB Collateral Agent to do.

4.3 **SSN Trustee**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the SSN Noteholders and the SSN Notes Registered Holder hereby:

- (a) direct the SSN Trustee to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and
- (b) provide the SSN Trustee with all other instructions and consents that are necessary to enable the SSN Trustee to do anything that this Scheme or the RID requires or otherwise provides for the SSN Trustee to do.

4.4 **Requirements of the Secured Scheme Administrator**

Each of the Agent, the TLB Collateral Agent and the SSN Trustee, each Secured Scheme Creditor and each Obligor will do such acts as may be required of it by the Secured Scheme Administrator to give the instructions, consents and notifications referred to above and failing which the Secured Scheme Administrator will do so on their behalf pursuant to clauses 5.1(a) to 5.1(d).

5. **GRANT OF AUTHORITY IN FAVOUR OF THE SECURED SCHEME ADMINISTRATOR**

5.1 **General grant of authority**

- (a) The Agent, the TLB Collateral Agent and the SSN Trustee, each Secured Scheme Creditor and each Obligor irrevocably authorises each Secured Scheme Administrator to take all steps and do all other things necessary or advisable to give effect to this Scheme and the RID.
- (b) Without limitation to the generality of clause 5.1(a), on and from the Scheme Effective Date, each Secured Scheme Creditor and each Obligor irrevocably appoints each Secured Scheme Administrator as its agent and attorney to enter into, execute and deliver as a deed (or otherwise) any document and to take any step necessary, desirable or advisable to give effect to this Scheme.
- (c) Without limitation to the generality of clauses 5.1(a) and 5.1(b), on and from the Scheme Effective Date, each Secured Scheme Creditor:
 - (i) irrevocably appoints each Secured Scheme Administrator as its agent and attorney to enter into, execute and deliver as a deed (or otherwise) the RID; and
 - (ii) acknowledges and agrees that it shall be bound by, and shall comply with, each of its obligations under the RID upon the RID becoming effective in accordance with its terms.
- (d) The appointments and authorities granted under this clause 5 (*Grant of authority in favour of the Secured Scheme Administrator*) and clauses 4 (*The Agent, the TLB Collateral Agent and the SSN Trustee*) and 6 (*Secured Scheme Administrators*) shall be treated for all purposes as being fully effective and having been granted by deed poll. The authorities granted in favour of each Secured Scheme Administrator under this Scheme will terminate immediately on the retirement or resignation of each

Secured Scheme Administrator in accordance with clause 6 (*Secured Scheme Administrators*) of this Scheme.

5.2 **Secured Creditors' Scheme Deed Poll**

Without limiting the generality of clause 5.1 (*General grant of authority*), on and from the Scheme Effective Date, each Secured Scheme Creditor irrevocably authorises the Secured Scheme Administrators to execute and deliver, as its attorney and agent, a deed poll substantially in the form of Schedule 4 (*Secured Creditors' Scheme Deed Poll*), as amended to include the list of Secured Scheme Creditors.

6. **SECURED SCHEME ADMINISTRATORS**

6.1 **Appointment of Secured Scheme Administrators**

Each Secured Scheme Administrator will, on and from the Scheme Effective Date, be appointed jointly and severally as scheme administrator of this Scheme.

6.2 **Qualification, appointment and cessation**

(a) A person shall only be appointed as a scheme administrator of this Scheme, or replace a Secured Scheme Administrator who ceases to be a scheme administrator of this Scheme (except by reason of resignation as the Secured Scheme Administrator under clause 6.8 (*Resignation of Secured Scheme Administrator*)) if the person:

- (i) is not disqualified pursuant to section 411(7) of the Corporations Act;
- (ii) consents to act as a scheme administrator; and
- (iii) signs and delivers a deed poll substantially in the form of the Secured Scheme Administrators Deed Poll.

(b) A person ceases to be a Secured Scheme Administrator if he or she:

- (i) is disqualified pursuant to section 411(7) of the Corporations Act;
- (ii) resigns from the position of Secured Scheme Administrator by not less than one month's notice in writing to the Scheme Companies;
- (iii) is removed from the position of Secured Scheme Administrator by an order of the Court;
- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (v) becomes bankrupt; or
- (vi) dies.

6.3 **Powers in relation to this Scheme**

Subject to clause 6.8 (*Resignation of Secured Scheme Administrator*), each Secured Scheme Administrator:

(a) has the power to supervise, administer, implement and carry out its functions as set out in this Scheme;

- (b) has the power to do anything else that is necessary or advisable for the purposes of administering this Scheme; and
- (c) has the power to do anything that is incidental to the exercise of the powers conferred on him or her under clauses 6.3(a) and 6.3(b).

6.4 **Exercise of Powers**

- (a) Each Secured Scheme Administrator shall be entitled to:
 - (i) employ its partners and staff to assist it in the performance or exercise of its duties, obligations, responsibilities and powers under this Scheme and the RID;
 - (ii) appoint agents to attend to any matter that the Secured Scheme Administrator might attend to under this Scheme and the RID and which the Secured Scheme Administrator is unable to attend to or which it is unreasonable to expect the Secured Scheme Administrator to attend to in person; and
 - (iii) appoint a solicitor, accountant, barrister or other professionally qualified person or persons to assist or advise the Secured Scheme Administrator.
- (b) Except as expressly provided in this Scheme, in exercising or performing any of its duties, obligations, responsibilities or powers under this Scheme and the RID, each Secured Scheme Administrator is taken not to act as, nor to have any of the duties of, a trustee.
- (c) Except where this Scheme or the RID expressly authorises a Secured Scheme Administrator to act as agent and attorney for a person in the execution of documents, the Secured Scheme Administrator does not act as agent or attorney for any party to, or person bound by, this Scheme or the RID and Claims or obligations of any kind whatsoever incurred in connection with its role as Secured Scheme Administrator are incurred by it personally.

6.5 **Liability**

Subject to the Corporations Act, a Secured Scheme Administrator is not, in the performance or exercise of its powers, obligations, functions and duties under this Scheme, personally liable for:

- (a) any Claims or obligations of any kind whatsoever incurred by or on behalf of the Scheme Companies including, without limitation, any monies borrowed and interest thereon and any contracts adopted or otherwise agreed and any Stamp Duty payable on this Scheme and any tax liable to be remitted or otherwise paid (**Indemnified Liabilities**);
- (b) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Losses**); or
- (c) any actions, suits, proceedings, accounts, Claims or demands arising out of this Scheme which may be commenced, incurred by or made by any person and all Costs incurred in respect thereof (**Demands**),

whether before, during or after the Scheme Effective Date, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

6.6 Indemnity

- (a) The Scheme Companies shall indemnify each Secured Scheme Administrator for:
- (i) all Indemnified Liabilities, Losses and Demands (as defined in clause 6.5 (*Liability*)); and
 - (ii) all personal liability that a Secured Scheme Administrator may incur in respect of his or her role as Secured Scheme Administrator of the Scheme Companies, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.
- (b) The indemnity under clause 6.6(a) takes effect on and from the Scheme Effective Date and is without limitation as to time notwithstanding the removal of the Secured Scheme Administrator and the appointment of a replacement Secured Scheme Administrator, the resignation of the Secured Scheme Administrator or the termination of this Scheme for any reason whatsoever.
- (c) The indemnity under clause 6.6(a) shall not:
- (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Secured Scheme Administrator and shall extend to all actions, suits, proceedings, accounts, Liabilities, Claims and Demands arising in any way out of any defect in the appointment of the Secured Scheme Administrator, the approval and implementation of this Scheme or otherwise; or
 - (ii) affect or prejudice all or any rights that the Secured Scheme Administrator may have against any other person to be indemnified against the Costs, Losses and Liabilities incurred by the Secured Scheme Administrator in, or incidental to the exercise or performance of any of the powers or authorities conferred on the Secured Scheme Administrator by or in connection with this Scheme.
- (d) This indemnity survives completion or termination of this Scheme.

6.7 Remuneration

Subject to the Corporations Act, each Secured Scheme Administrator shall be entitled to remuneration for its services together with reimbursement for its Costs, from, and in accordance with the terms of their letter of engagement with, the Scheme Companies.

6.8 Resignation of Secured Scheme Administrator

Immediately following the delivery of the register pursuant to clause 6.2(b) of the RID evidencing completion of the Implementation Steps, each Secured Scheme Administrator resigns as (and is taken to have resigned as) Secured Scheme Administrator.

6.9 Directors of the Scheme Companies remain in control

Subject to the terms of this Scheme:

- (a) the directors of each of the Scheme Companies:
- (i) remain in control of each of the Scheme Companies with respect to the conduct of their respective business; and
 - (ii) remain in control of all of the assets of the Scheme Companies; and

- (b) the Secured Scheme Administrators do not have, and cannot exercise, any power in connection with the matters reserved to the directors of the Scheme Companies referred to in clause 6.9(a) above.

7. SECURED SCHEME CREDITOR CONSIDERATION

- (a) On the Creditors' Scheme Implementation Date, in accordance with the RID, and subject to clauses 8 (*Ineligible Persons and Unidentified Secured Scheme Creditors*) and 9 (*Entitlement to receive scheme consideration*):
 - (i) each Secured Scheme Creditor that is a TLA Purchaser shall be entitled to receive its applicable share of TLA Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLA Secured Debt held by the relevant TLA Purchaser bears to the aggregate outstanding amount of TLA Secured Debt held by all such TLA Purchasers in each case, as at the Voting Entitlement Record Date, and each such TLA Purchaser's definitive entitlement shall be set out in the Allocations Spreadsheet;
 - (ii) each Secured Scheme Creditor that is a TLB Purchaser shall be entitled to receive its applicable share of TLB Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLB Secured Debt held by the relevant TLB Purchaser bears to the aggregate outstanding amount of TLB Secured Debt held by all such TLB Purchasers, in each case, as at the Voting Entitlement Record Date and each such TLB Purchaser's definitive entitlement shall be set out in the Allocations Spreadsheet;
 - (iii) each Secured Scheme Creditor that is a SSN Noteholder shall be entitled to receive its applicable share of SSN Secured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of SSN Secured Debt held by the relevant SSN Noteholder bears to the aggregate outstanding amount of SSN Secured Debt held by all such SSN Noteholders in each case, as at the Voting Entitlement Record Date and each such SSN Noteholder's definitive entitlement shall be set out in the Allocations Spreadsheet; and
 - (iv) each Secured Scheme Creditor that is a TLA Purchaser, TLB Purchaser or SSN Noteholder shall be entitled to its rights and benefits under the Restructuring Documents to the extent that they relate to such Secured Scheme Creditor's Secured Scheme Claim.
- (b) Where a Secured Scheme Creditor (or its Designated Recipient) would receive a fractional number of Shares as a result of the operation of clause 7(a), then the number of Shares issued to that person will be rounded to the nearest whole number.

8. INELIGIBLE PERSONS AND UNIDENTIFIED UNSECURED SCHEME CREDITORS

8.1 Ineligible Persons

- (a) Secured Scheme Creditors who are Ineligible Persons and who have not appointed a Designated Recipient in accordance with clause 9 (*Entitlement to receive scheme consideration*) are not entitled to be issued the New Common Equity under clause 7 (*Secured scheme creditor consideration*) and in accordance with the RID. Instead, the New Common Equity that but for this clause 8.1, would be issued to the Secured Scheme Creditor who is an Ineligible Person will, on the Creditors' Scheme Implementation Date, in accordance with this Scheme and the RID, be issued to a nominee appointed by BLY (the **Nominee**).

- (b) Where the Nominee is issued New Common Equity under clause 8.1(a), BLY will cause the Nominee to:
 - (i) as soon as is reasonably practicable (but, in any case within one month after the Members' Scheme Effective Time or, if the Members' Scheme is not approved by the Court, the Creditors' Schemes Restructuring Effective Time) offer all such New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) for sale in the manner, at such price and on such other terms the Nominee thinks fit (and at the risk of the Secured Scheme Creditors who are Ineligible Persons); and
 - (ii) remit to BLY the proceeds of sale (after deducting any reasonable brokerage or other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) in accordance with clause 8.1(b), BLY must pay to each Secured Scheme Creditor who is an Ineligible Person the proportion of the net proceeds of sale received by BLY pursuant to clause 8.1(b)(ii) to which that Secured Scheme Creditor is entitled.

8.2 **Unidentified Secured Scheme Creditors**

- (a) If a Secured Scheme Creditor is not identified in BLY's records provided to the Secured Scheme Administrators in accordance with clause 7(e) of the RID or, in respect of a SSN Noteholder who is a Secured Scheme Creditor, has not procured delivery of the Custody Instructions to DTC and the Information Agent during the Scheme Consideration Election Window as described in the Explanatory Statement to facilitate the delivery of the Secured Scheme Consideration (**Unidentified Secured Scheme Creditors**), BLY must issue the New Common Equity to which that Secured Scheme Creditor is entitled to the Nominee on the Creditors' Scheme Implementation Date.
- (b) Where New Common Equity has been issued to the Nominee in accordance with clause 8.2(a), BLY will take commercially reasonable steps to seek to identify that Secured Scheme Creditor for a period of 6 months from the date of receiving the New Common Equity.
- (c) If at any time during the 6 month period referred to in clause 8.2(b) above the Unidentified Secured Scheme Creditor has been identified, then BLY will cause the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) and to which that Secured Scheme Creditor is entitled to be transferred to it (or its nominated Designated Recipient) provided that person is not an Ineligible Person, in which case:
 - (i) BLY will cause the Nominee to, as soon as is reasonably practicable, sell the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) at such price and on such other terms the Nominee thinks fit (and at the risk of the Secured Scheme Creditor) and remit the net proceeds of sale after deducting any reasonable brokerage or other selling costs, taxes and charges to BLY; and
 - (ii) promptly after the last sale of the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) in accordance with clause 8.2(c)(i), BLY must pay to each such Secured Scheme Creditor the proportion of the net proceeds of sale received by BLY pursuant to clause 8.2(c)(i) to which that Secured Scheme Creditor is entitled; or

- (d) If the Unidentified Secured Scheme Creditor is not identified by the end of the 6 month period referred to in clause 8.2(b), then BLY will cause the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) to which that Unidentified Secured Scheme Creditor is entitled to be sold by the Nominee and the proceeds to be donated by way of gift to a charity of BLY's choosing.

9. ENTITLEMENT TO RECEIVE SCHEME CONSIDERATION

9.1 Appointment of Designated Recipient to receive scheme consideration

- (a) Each Secured Scheme Creditor shall be entitled to appoint a Designated Recipient to receive the New Common Equity that it is entitled to under this Scheme by and in accordance with a duly completed TLA Proof of Debt Form, TLB Proof of Debt Form and/or SSN Account Holder Letter (as applicable).
- (b) Each Secured Scheme Creditor that appoints a Designated Recipient:
 - (i) must procure that such Designated Recipient complies with the terms of this Scheme, the RID and the Restructuring Documents (as applicable); and
 - (ii) is liable for such Designated Recipient breaching the terms of this Scheme, the RID and the Restructuring Documents (as applicable).

9.2 Entitlement to scheme consideration after Voting Entitlement Record Date

- (a) Subject to clause 14.2 (*Transfers and assignments*), the Scheme Companies are under no obligation to recognise any assignment or transfer of interests in the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt after the Voting Entitlement Record Date for the purpose of a person claiming to be entitled to receive New Common Equity or Shares pursuant to the Creditor Share Purchase Option (as applicable) under this Scheme and have no obligations under this Scheme to any person claiming to be a Secured Scheme Creditor to whom the relevant TLA Secured Debt, TLB Secured Debt or SSN Secured Debt was assigned or transferred, unless that person has:
 - (i) provided a duly completed TLA Proof of Debt Form, TLB Proof of Debt Form and/or SSN Account Holder Letter (as applicable) to the Information Agent in accordance with the instructions, other than the time by which the TLA Proof of Debt Form, TLB Proof of Debt Form and SSN Account Holder Letter (as applicable) must be returned to the Information Agent, as set out in the Explanatory Statement;
 - (ii) if the person assigning or transferring the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt is a party to the RSA, complied with the terms of the RSA; and
 - (iii) if the person assigning or transferring the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt is an Other CSPO Participant, complied with clause 9.2(a)(i) and the relevant TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter (as applicable) provided to the Information Agent has the relevant section titled 'Creditor Share Purchase Option' completed, whereby, among other things, the relevant transferee has elected to participate in the Creditor Share Purchase Option and has requested the same Maximum Committed Securities as the person assigning or transferring the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt.
- (b) Any person to whom TLA Secured Debt, TLB Secured Debt or SSN Secured Debt was assigned or transferred after the Voting Entitlement Record Date and recognised by

the Scheme Companies in accordance with clause 9.2 (*Entitlement to scheme consideration after Voting Entitlement Record Date*) is deemed to have held the relevant TLA Secured Debt, TLB Secured Debt or SSN Secured Debt as at Voting Entitlement Record Date for the purpose of determining its entitlement to receive New Common Equity under clause 7 (*Secured scheme creditor consideration*) or Shares pursuant to the Creditor Share Purchase Option under clause 12 (*Creditor Share Purchase Option*).

10. **RELEASES**

10.1 **Secured Scheme Creditor releases**

- (a) Subject to clause 10.3 (*Limitations*) below, with effect on and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID:
- (i) in consideration of the rights conferred on the Secured Scheme Creditors pursuant to this Scheme, each Secured Scheme Creditor (for the avoidance of doubt, solely in their capacity as a Secured Scheme Creditor), hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law:
 - (A) waives, releases and discharges all of its rights, title and interest in the Secured Scheme Claims; and
 - (B) waives, releases and discharges all Liabilities of the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent and the SSN Trustee to the Secured Scheme Creditors and each and every Claim which the Secured Scheme Creditors may have against the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent or the SSN Trustee, in each case, in relation to or in connection with or in any way arising out of:
 - (aa) the Secured Scheme Claims and any of the facts, matters, circumstances and events that arose, occurred in respect of or gave rise to the Secured Scheme Claims;
 - (bb) the Creditors' Schemes Finance Documents;
 - (cc) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Unsecured Creditors' Scheme and/or the Restructuring Documents and/or the Members' Scheme and/or the Incremental Finance Documents and/or the Existing Backstop ABL; and
 - (dd) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms;
 - (ii) in consideration of the rights conferred on the Secured Scheme Creditors, the Agent, the TLB Collateral Agent and the SSN Trustee pursuant to this Scheme, hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law discharge all the Secured Property under the relevant Creditors' Schemes Finance Documents solely in respect of the TLA Secured Debt, the TLB Secured Debt and the SSN Secured Debt;
 - (iii) in consideration of the rights conferred on the Obligors pursuant to this Scheme, each Obligor hereby irrevocably and unconditionally fully and

absolutely, to the fullest extent permitted by law waives, releases and discharges each Secured Scheme Creditor, the Agent, the TLB Collateral Agent and the SSN Trustee from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:

- (A) the Creditors' Schemes Finance Documents;
- (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Unsecured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
- (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms;

(iv) in consideration of the rights conferred on the Released Individuals pursuant to this Scheme, each Released Individual hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law waives, releases and discharges each Obligor, each Secured Scheme Creditor, the Agent, the TLB Collateral Agent and the SSN Trustee from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:

- (A) the Creditors' Schemes Finance Documents;
- (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Unsecured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
- (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.

(v) in consideration of the rights conferred on the Agent, the TLB Collateral Agent and the SSN Trustee pursuant to this Scheme, the Agent, TLB Collateral Agent and SSN Trustee each hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law waives, releases and discharges each Obligor, each Secured Scheme Creditor and each Released Individual from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:

- (A) the Creditors' Schemes Finance Documents;
- (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Unsecured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
- (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.

(b) With effect on and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID, each of the Agent, the TLB Collateral Agent, the SSN Trustee and the Secured Scheme Creditors consents to the waivers, releases and discharges in this clause 10.1 and waives all rights that it may have to require that any person comply with any requirements relating to waiver or any other matter in any of the Creditors' Schemes Finance Documents to the extent necessary to effect the waivers, releases and discharges under this clause 10.1.

- (c) The releases in this clause 10.1 extend to Claims or Liabilities which are unknown to or not in the contemplation of the parties, their employees, agents, former employees or former agents, or their related bodies corporate, at the time the releases in this clause 10.1 take effect.
- (d) Subject to clause 10.3 (*Limitations*), with effect on and from the time at which the releases in this clause 10.1 take effect in accordance with clause 10.1(a) each of the Secured Scheme Creditors, Obligors, each Released Individual, the Agent, the TLB Collateral Agent and the SSN Trustee acknowledge and agree that the Creditors' Schemes Finance Documents are irrevocably and unconditionally terminated and, for the avoidance of doubt, the "Securities" (as defined in the SSN Indenture) issued under the SSN Indenture are cancelled.

10.2 **Covenant not to sue and bar to claim**

On and from the Scheme Effective Date, each party releasing a Claim or releasing any other party from an obligation owed to it by that party under this Scheme absolutely and irrevocably undertakes to that party, at and from the time each such release is expressed to take effect and subject to all conditions to that released Claim or released obligation (if any) having been satisfied in accordance with their terms, that it will not:

- (a) make any Claim in respect of the released Claim or obligation to the extent that the Claim or obligation has been released in accordance with this document;
- (b) instruct, direct authorise or assist or encourage any other person (including, in respect of the Secured Scheme Creditors, each of the Agent, the TLB Collateral Agent or the SSN Trustee) to commence or continue any proceeding against the Scheme Companies, any Obligor or any Released Individual and/or any other entity in the Group in relation to or in connection with or in any way arising out of the matters referred to in clauses 10.1 (*Secured Scheme Creditor releases*), or otherwise to assert any such claim against the Scheme Companies, any Obligor and/or any other entity in the Group,

and this document may be pleaded as a bar to any such Claim in any jurisdiction whatsoever.

10.3 **Limitations**

The releases, waivers and discharges effected by the terms of this clause 10 (*Releases*) shall not:

- (a) disentitle any Obligor, Secured Scheme Creditor, Released Individual, the Agent, the TLB Collateral Agent or the SSN Trustee from enforcing their respective rights under this Scheme, the Restructuring Documents or in respect of any transaction to be implemented or consummated in connection therewith and each party agrees that those releases, waivers and covenants will be limited to the extent necessary to permit each of them to enforce any such rights;
- (b) discharge any indemnity granted in favour of the Agent, TLB Collateral Agent or SSN Trustee pursuant to the terms of a Creditors' Schemes Finance Document or the RID which is expressly stated in that document to survive or continue in full force and effect;
- (c) prevent the Agent, TLB Collateral Agent or SSN Trustee from executing, doing, or instructing any other relevant person to so execute or do, any instructions, acts or things under this Scheme or the RID;
- (d) extend to any Claim to the extent that such Claim relates to the released party's obligations under the RSA that require performance subsequent to this Scheme

becoming Effective or to any terms of the RSA, or rights of any party to the RSA, that continue under or pursuant to the RSA; or

- (e) extend to any Claim by any party, to the extent that the relevant released party has engaged in fraud or wilful misconduct or been reckless, grossly negligent or dishonest in respect of the facts, matters, circumstances or events to which that Claim relates.

10.4 **Giving Effect to Releases**

The Secured Scheme Creditors, the Agent, the TLB Collateral Agent and the SSN Trustee must:

- (a) on the Creditors' Scheme Implementation Date deliver to the Scheme Companies:
 - (i) duly signed forms required to record the waivers, releases and discharges given by this Scheme at all relevant Government Agencies; and
 - (ii) all documents of title in its possession relating to the Secured Property; and
- (b) within five Business Days after the Creditors' Schemes Restructuring Effective Time:
 - (i) register a financing change statement on the Personal Property Securities register to end any registration that perfects its security interest (as defined in the *Personal Property Securities Act 2009* (Cth)) in the Secured Property; and
 - (ii) register, file, lodge, or submit with any Government Agency any record, notice, statement or any other form of document required to fully discharge the Secured Property from any security interest given under a relevant Creditors' Schemes Finance Document, including filing any Uniform Commercial Code termination statements.

11. **TURNOVER**

- (a) Each Secured Scheme Creditor must hold on trust for the benefit of the Scheme Companies, the Released Individuals, the Obligors and for the benefit of each other entity in the Group (as applicable) any recovery made against such person and received by such Secured Scheme Creditor after the Scheme Effective Date, pursuant to any Liability or Claim released pursuant to clause 10.1(a)(i) or in breach of clause 10.2 (*Covenant not to sue and bar to claim*), other than, in each case and for the avoidance of doubt, any recovery made under clause 7 (*Secured scheme creditor consideration*), and the Secured Scheme Creditor must turn over any such recovery to the Scheme Companies, the Released Individuals, the Obligors and each other entity in the Group (as applicable) without set-off, counterclaim or deduction.
- (b) To the extent that the asset comprising the recovery referred to in clause 11(a) cannot be held on trust by the Secured Scheme Creditor that received such recovery, such Secured Scheme Creditor must pay to the relevant Scheme Companies, the Released Individuals, the Obligors and each other entity in the Group (as applicable) an amount equal to that recovery immediately upon demand being made by the relevant Scheme Companies, the Released Individuals, the Obligors, the Released Individuals and each other entity in the Group (as applicable) without set-off, counterclaim or deduction.
- (c) Any amounts held on trust in accordance with clause 11(a) or required to be paid in accordance with clause 11(b) pursuant to any Liability or Claim released under clause 10.1(a)(i) or in breach of clause 10.2 (*Covenant not to sue and bar to claim*), must be held on trust for the benefit of, or paid to, the Scheme Companies, the

Released Individual, the Obligor, or a combination of one or more such persons, from whom such recovery was received by the Secured Scheme Creditor.

12. **CREDITOR SHARE PURCHASE OPTION**

- (a) On the Creditors' Scheme Implementation Date, in accordance with the RID, a Secured Scheme Creditor who:
- (i) is an Other CSPO Participant;
 - (ii) has complied with each of the requirements as set out in the TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter in the section entitled 'Creditor Share Purchase Option' and has been allocated Shares under the Creditor Share Purchase Option by BLY in accordance with the CSPO Allocation Principles; and
 - (iii) has paid, or its Permitted CSPO Nominee has paid, the aggregate CSPO Issue Price payable by that Secured Scheme Creditor for the Shares allocated by BLY to that Secured Scheme Creditor (or its Permitted CSPO Nominee) by the payment date specified in the final Allocation Confirmation provided by BLY to the Secured Scheme Creditor,

will be issued, or its Permitted CSPO Nominee will be issued, by BLY the number of Shares allocated by BLY to that Secured Scheme Creditor (or its Permitted CSPO Nominee) in its capacity as such under the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles and each such Other CSPO Participant's definitive entitlement shall be set out in the Allocations Spreadsheet.

- (b) Where an Other CSPO Participant or a Permitted CSPO Nominee would receive a fractional number of Shares as a result of the operation of clause 12(a), then the number of Shares issued to that person will be rounded to the nearest whole number.

13. **NO INCONSISTENT ACTS**

The parties agree to treat themselves as bound by this Scheme for all purposes and not to act otherwise than in accordance with this Scheme.

14. **STANDSTILL, TRANSFERS AND CONSENTS**

14.1 **Standstill**

- (a) During the period on and from the Scheme Effective Date up to the Creditors' Schemes Restructuring Effective Time (the **Standstill Period**), the Agent, the TLB Collateral Agent, the SSN Trustee and each Secured Scheme Creditor must not, except for the purpose of enforcing the terms of this Scheme, or any Deed Poll or as otherwise expressly provided by this Scheme:
- (i) exercise any right or remedy it may have under or in connection with the documents governing their respective Claims against the Obligors, including any right to seek interest payments under any such document, or under any applicable United States, Australian, Canadian or foreign law or otherwise with respect to any defaults, events of default or default events, howsoever described, which may arise under such documents;
 - (ii) commence or continue any legal action, Claim or other proceedings against any Obligor or the assets of any Obligor, including but not limited to in connection with any rights arising out of an event of default, default or default event, howsoever described, under any Creditors' Schemes Finance Document applicable to it;

- (iii) exercise and, in the case of a TLA Purchaser or TLB Purchaser, not direct the Agent to exercise, and shall instruct the Agent to desist from exercising, any rights under any Creditors' Schemes Finance Documents applicable to it;
 - (iv) exercise and, in the case of the TLB Purchaser, not direct the TLB Collateral Agent to exercise, and shall instruct the TLB Collateral Agent to desist from exercising, any rights under the Creditors' Schemes Finance Documents applicable to it;
 - (v) exercise and, in the case of the SSN Noteholders and the SSN Notes Registered Holder, not direct the SSN Trustee to exercise, and shall instruct the SSN Trustee to desist from exercising, any rights under any Creditors' Schemes Finance Documents applicable to it;
 - (vi) take any step to enforce or make any demand under any guarantee, security or other right of recourse held by the Secured Scheme Creditors, the Agent, the TLB Collateral Agent or the SSN Trustee in respect of any Creditors' Schemes Finance Document;
 - (vii) take, or concur in the taking, of any step to wind up, appoint a liquidator, administrator, receiver, receiver and manager, or analogous officer over, or commence any other insolvency related or attachment proceedings against, any Obligor or the assets of any Obligor;
 - (viii) take any steps to demand or enforce payment of all or part of any money owing, whether actually or contingently, by any Obligor pursuant to a right under any Creditors' Schemes Finance Document;
 - (ix) declare any event of default, default or default event, howsoever described, under any Creditors' Schemes Finance Document, including in respect of any circumstances subsisting as at or prior to the Scheme Effective Date;
 - (x) ask or require any Obligor under any Creditors' Schemes Finance Document to make any payment in respect of any indebtedness, Liability or obligations (in each case, including at law) of such Obligor, including under or in connection with any Creditors' Schemes Finance Document or any transaction under, or contemplated by, any Creditors' Schemes Finance Document;
 - (xi) institute or prosecute any legal proceedings in relation to any Claim under any Creditors' Schemes Finance Document against any Obligor or any other person to be released under this Scheme to the extent that such Claim or obligation is to be released under this Scheme; or
 - (xii) exercise any rights against any Obligor which they may have on the occurrence of a breach, default, event of default, potential event of default or termination event (in each case, howsoever described or arising) under any Creditors' Schemes Finance Document.
- (b) For the avoidance of doubt, the forbearances in clause 14.1(a) do not constitute a waiver with respect to any defaults or events of default under the Creditors' Schemes Finance Documents, and shall not bar any Secured Scheme Creditor from filing a proof of debt or taking action to establish the amount of such Claim if this Scheme terminates and is of no further force or effect in accordance with clause 15 (*Termination*).

14.2 Transfers and assignments

- (a) Other than with the consent of the Scheme Companies, during the Standstill Period:

- (i) the Agent and each Secured Scheme Creditor that is a TLA Purchaser agrees not to dispose of or transfer any right under the Term Loan A and each such TLA Purchaser directs the Agent not to register any such disposal or transfer;
 - (ii) the Agent and each Secured Scheme Creditor that is a TLB Purchaser agrees not to dispose of or transfer any right under the Term Loan B and each such TLB Purchaser directs the Agent not to register any such disposal or transfer;
 - (iii) the TLB Collateral Agent and each Secured Scheme Creditor that is a TLB Purchaser agrees not to dispose of or transfer any right under the Term Loan B and each such TLB Purchaser directs the TLB Collateral Agent not to register any such disposal or transfer; and
 - (iv) the SSN Trustee and each Secured Scheme Creditor that is a SSN Noteholder agrees not to dispose of or transfer any right under the SSN Indenture and each such SSN Noteholder directs the SSN Trustee not to register any such disposal or transfer.
- (b) The Scheme Companies are under no obligation to recognise any assignment or transfer of interests in the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt for the purposes of this Scheme after the Scheme Effective Date and have no obligations under this Scheme to any person other than the Secured Scheme Creditors, except that the Scheme Companies may, in their sole discretion and subject to the production of such other evidence in relation to such assignment or transfer as they may reasonably require (including an undertaking from the relevant transferee that it shall be bound by the terms of this Scheme as a Secured Scheme Creditor in relation to its interest in the TLA Secured Debt, TLB Secured Debt or SSN Secured Debt (as applicable)) and to any other terms and conditions which the Scheme Companies may consider necessary or desirable, agree to recognise such assignment or transfer for the purpose of this Scheme.

14.3 **Consent, waiver and release**

The Agent, the TLB Collateral Agent, the SSN Trustee, each Secured Scheme Creditor and each Obligor whose consent or agreement is necessary under the Creditors' Schemes Finance Documents (as applicable) to give effect to this Scheme:

- (a) irrevocably consents and agrees to each Obligor:
 - (i) entering into, or otherwise becoming bound by, each Restructuring Document of which that Obligor is a party;
 - (ii) performing its respective obligations and transactions under, or as contemplated by those Restructuring Documents (including, but not limited to, Court applications for the purposes of this Scheme) of which that Obligor is a party; and
 - (iii) carrying out any step for the purposes of, or otherwise acting consistently with, those Restructuring Documents of which that Obligor is a party;
- (b) agrees that no breach, non-compliance, default, event of default or potential event of default or termination event (in each case, howsoever described) under any Creditors' Schemes Finance Document:
 - (i) has occurred (and agrees that it is taken to have not occurred), as a result of;
 - (ii) has been caused by (and agrees that it is taken to have not been caused by);

(iii) is continuing (and agrees that it is taken not to be continuing), as a result of;
or

(iv) will or can occur, as a result of or be caused by,

any Obligor entering into or performing any Restructuring Document or the obligations or transactions under, or contemplated by, any Restructuring Document (including, but not limited to, any court applications for the purposes of this Scheme) or carrying out any step for the purposes of, or otherwise acting consistently with the Restructuring Documents, and if any such event is deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents;

- (c) without limiting any other clause in this Scheme, agrees that if any change of control, in each case howsoever described, (**Change of Control Event**) has occurred under any of the Creditors' Schemes Finance Documents at any time, up to and including the Creditors' Scheme Implementation Date, any rights arising out of or in connection with the Change of Control Event are waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents;
- (d) agrees and consents to any releases which are given, or disposals of rights or other property which are made or occur, by any Obligor under, or which are otherwise contemplated by, the Restructuring Documents; and
- (e) agrees that the Agent, the TLB Collateral Agent and the SSN Trustee have committed no breach, non-compliance or default under the relevant Creditors' Schemes Finance Documents by executing the Undertakings, and if any such event is deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents.

15. **TERMINATION**

15.1 **Sunset Date**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, then with effect from that time, this Scheme will not be capable of implementation and this Scheme will lapse, terminate and be of no further force or effect.

15.2 **Obligations on termination**

- (a) If this document is terminated, all obligations of the parties under this Scheme, other than clauses 6.5 (*Liability*), 16 (*Notices*) and 17 (*General Provisions*), immediately cease to be of further effect.
- (b) The termination of this Scheme does not affect any Claim that a party may have against another party where that Claim arose before this Scheme is terminated.

16. **NOTICES**

Any notice, consent or other communication under this Scheme must be given in accordance with clause 16 (*Notices*) of the RID as though that clause was reproduced in this Scheme in its entirety.

17. **GENERAL PROVISIONS**

17.1 **Further assurances**

The Secured Scheme Administrator, the Agent, the TLB Collateral Agent, the SSN Trustee, each Secured Scheme Creditor and each Obligor must do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable (in the opinion of the Scheme Companies, acting in good faith) to give full effect to the terms of this Scheme and the transactions contemplated by it.

17.2 **Binding effect of Scheme**

This Scheme binds the Scheme Companies and each Secured Scheme Creditor (including each Secured Scheme Creditor who did not attend the Secured Creditors' Scheme Meeting, who did not vote at the Secured Creditors' Scheme Meeting or who voted against this Scheme) and, to the extent of any inconsistency, overrides the terms of the Creditors' Schemes Finance Documents. This Scheme also binds any party who agrees to be bound by this Scheme pursuant to a Deed Poll.

17.3 **Costs and Stamp Duty**

- (a) The Scheme Companies must pay in full all Costs incurred by them in connection with the negotiation, preparation and implementation of this Scheme as and when they arise. For the avoidance of doubt, this includes all Costs incurred by the Agent, the TLB Collateral Agent and the SSN Trustee (including legal costs).
- (b) The Scheme Companies are liable for, and must pay all Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme.
- (c) If a person other than the Scheme Companies pays any Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme, then the Scheme Companies must pay that amount to the paying party on demand.
- (d) This clause 17.3 survives completion of this Scheme.

17.4 **Governing Law and jurisdiction**

- (a) This Scheme is governed by the laws of the State of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of the Scheme.

SCHEDULE 1

Creditors' Schemes Finance Documents

No.	Document	Parties	Date
Term Loan A			
Facility Agreements			
1.	Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	31 December 2018
2.	First Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	17 July 2019
3.	Second Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), Centerbridge Special Credit Partners II AIV III, L.P., Centerbridge Credit Partners Master AIV III, L.P., CCP II Acquisition Holdings, LLC (Purchasers), Wilmington Trust, National Association (Agent)	24 June 2020
4.	Third Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Acquisition Holdings, LLC, Centerbridge Credit Partners Master AIV III, L.P., Centerbridge Special Credit Partners Master II AIV III, L.P. (Purchasers), Wilmington Trust, National Association (Agent)	1 June 2021
Security Agreements			
5.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust,	10 April 2018

No.	Document	Parties	Date
		National Association (Collateral Agent)	
6.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
7.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
8.	General Security Deed – Term Loan A	Wilmington Trust, National Association (Secured Party), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Australia Pty Ltd (ACN 000 401 025), Votrait No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Investments Pty Limited (ACN 124 070 373) (each a Grantor)	31 December 2018
9.	US Security and Pledge Agreement for the Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein as a grantor(each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
10.	Canadian Security and Pledge Agreement for Term Loan A Securities Agreement	Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada, Ltd., Boart Longyear Manufacturing and Distribution Inc., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
11.	Restatement Amendment Agreement relating to the Assignment Agreement – Term Loan A Securities Agreement	Boart Longyear Suisse SARL (Assignor), Wilmington Trust, National Association (Administrative Agent)	31 December 2018
12.	Restatement Amendment Agreement relating to the Bank Account Assignment Agreement – Term Loan A Securities Agreement	Boart Longyear Suisse SARL (Assignor), Wilmington Trust, National Association (Administrative Agent)	31 December 2018
13.	Pledge over Inventory - Term Loan A	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
14.	Pledge over Fixed Assets – Term Loan A	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018

No.	Document	Parties	Date
15.	Pledge over Assets	Boart Longyear S.A.C (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
16.	Pledge over Shares	Longyear Canada ULC (Grantor), US Bank National Association (Collateral Agent in respect of Notes Indenture Agreement), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
Term Loan B			
Facility Agreement			
17.	Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	31 December 2018
18.	First Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	17 July 2019
19.	Second Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), Centerbridge Special Credit Partners II AIV III, L.P., Centerbridge Credit Partners Master AIV III, L.P., CCP II Acquisition Holdings, LLC (Purchasers), Wilmington Trust, National Association (Agent)	24 June 2020
20.	Third Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Acquisition	1 June 2021

No.	Document	Parties	Date
		Holdings, LLC, Centerbridge Credit Partners Master AIV III, L.P., Centerbridge Special Credit Partners Master II AIV III, L.P. (Purchasers), Wilmington Trust, National Association (Agent)	
Security Agreements			
21.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	10 April 2018
22.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
23.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
24.	General Security Deed – Term Loan B	Wilmington Trust, National Association (Secured Party) and, amongst other, Boart Longyear Limited (ACN 123 052 728), Boart Longyear Management Pty Limited (ACN 123 283 545) and each other company listed therein (each a Grantor)	31 December 2018
25.	US Security and Pledge Agreement for the Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
26.	Canadian Security and Pledge Agreement for Term Loan B Securities Agreement	Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada, Ltd., Boart Longyear Manufacturing and Distribution Inc., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
27.	Pledge over Inventory – Term Loan B Securities Agreement	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
28.	Pledge over Fixed Assets – Term Loan B Securities Agreement	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
29.	Pledge over Assets	Boart Longyear S.A.C (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust,	31 December 2018

No.	Document	Parties	Date
		National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	
30.	Pledge over Shares	Longyear Canada ULC (Grantor), US Bank National Association (Collateral Agent in respect of Notes Indenture Agreement), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
31.	Amended and Restated SSN Indenture, TLB and Incremental Financing U.S. Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent, Trustee), Wilmington Trust, National Association (Authorized Representative), Boart Longyear Management Pty Limited (ACN 123 283 545) (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) (ACN 123 052 728) and the other grantors party thereto (each a Grantor)	1 June 2021
32.	Amended and Restated SSN Indenture, TLB and Incremental Financing Canadian Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent, Trustee), Wilmington Trust, National Association (Authorized Representative), Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor)	1 June 2021
SSN Indenture			
Facility Agreements			
33.	SSN Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) (Parent), Boart Longyear Australia Pty Ltd (ACN 000 401 025) and each other company party thereto, (each a Guarantor), U.S. Bank National Association (Trustee)	27 September 2013
34.	First Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), BLY IP Inc., Boart Longyear Limited (ACN 123 052 728) and each other company party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	31 August 2017
35.	Second Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), BLY IP Inc., BL DDL NY Holdings Inc., Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty Ltd (ACN 000 401 025) and each other company a party thereto(each a	18 September 2017

No.	Document	Parties	Date
		Guarantor), U.S. Bank National Association (Trustee)	
36.	Third Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	31 December 2018
37.	Fourth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	17 July 2019
38.	Fifth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty Ltd (ACN 000 401 025) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	24 June 2020
39.	Sixth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto (each a Guarantor), U.S. Bank National Association (Trustee)	1 June 2021
Security Agreements			
40.	Amended and Restated SSN Indenture, TLB and Incremental Financing U.S. Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent) Boart Longyear Management Pty Limited (ACN 123 283 545) (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and the other grantors party thereto (each a Grantor)	1 June 2021
41.	Amended and Restated SSN Indenture, TLB and Incremental Financing Canadian Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent)Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd., Votraint No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor)	1 June 2021
42.	SSN Indenture Amendment Security Deed to the General Security Deed dated 27 September 2013	U.S. Bank National Association (Secured Party), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728), Votraint No.	1 June 2021

No.	Document	Parties	Date
		1609 Pty Limited (ACN 119 244 272), Boart Longyear Australia Pty Ltd (ACN 000 401 025) (each a Grantor)	
43.	SSN Indenture Australian General Security Deed	U.S. Bank National Association (Secured Party), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728), Votrait No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Australia Pty Ltd (ACN 000 401 025) (each a Grantor)	27 September 2013
44.	Pledge over Assets – SSN Indenture	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent)	19 December 2013
45.	Pledge over Shares in Boart Longyear S.A.C. – SSN Indenture	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent)	19 December 2013
46.	Pledge over Inventory – SSN Indenture	Boart Longyear Chile Limitada (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture) Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	13 February 2015
47.	Pledge over Fixed Assets – SSN Indenture	Boart Longyear Chile Limitada (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture) Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	13 February 2015
48.	Pledge over Assets – SSN Indenture (First Amendment)	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Agent in respect of Term Loan A and Term Loan B)	12 March 2015
49.	Pledge over Shares in Boart Longyear S.A.C – SSN Indenture (First Amendment)	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Agent in respect of Term Loan A and Term Loan B)	12 March 2015
50.	Pledge over Assets – SSN Indenture (Second Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Agent), Wilmington Trust, National	2 November 2016

No.	Document	Parties	Date
		Association (Agent in respect of Term Loan A and Term Loan B)	
51.	Pledge over Assets – SSN Indenture (Third Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	2 March 2018
52.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	10 April 2018
53.	Pledge over Assets – SSN Indenture (Fourth Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	26 July 2018
54.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
55.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
56.	Pledge over Assets – SSN Indenture (Fifth Amendment)	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	10 December 2018
57.	SSN Indenture General Security Deed	U.S. Bank National Association (Secured Party), Boart Longyear Investments Pty Limited (ACN 124 070 373) (Grantor)	1 June 2021
58.	Pledge over Assets – SSN Indenture (Sixth Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
59.	Pledge over Shares in Boart Longyear S.A.C – SSN Indenture (Second Amendment)	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018

No.	Document	Parties	Date
60.	Pledge over Assets – SSN Indenture	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	23 January 2020
SUN Indenture			
61.	SUN Indenture to the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	28 March 2011
62.	First Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Manufacturing USA Inc., Boart Longyear Manufacturing Canada Ltd. (each a Guarantor), U.S. Bank National Association (Trustee)	14 June 2013
63.	Second Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Chile Limitada, Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Comercializadora Limitada (each a Guarantor), U.S. Bank National Association (Trustee)	27 September 2013
64.	Third Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	2 April 2017
65.	Fourth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	31 August 2017
66.	Fifth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	18 September 2017

No.	Document	Parties	Date
67.	Sixth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	31 December 2018
68.	Seventh Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	17 July 2019
69.	Eighth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	15 June 2020
70.	Ninth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty Ltd (ACN 000 401 025), Boart Longyear Investments Pty Limited (ACN 124 070 373), Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Chile Limitada, Boart Longyear S.A.C., BLY US Holdings Inc., Boart Longyear Company, BL Capital Management LLC, Longyear TM, Inc., Boart Longyear Manufacturing and Distribution Inc., Boart Longyear Manufacturing Canada Ltd., Longyear Canada, ULC, Boart Longyear Canada, BLY IP Inc., Boart Longyear Suisse SARL (each a Guarantor), Delaware Trust Company (Trustee)	1 June 2021

SCHEDULE 2

Restructuring Implementation Deed



Restructuring Implementation Deed

2021

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THIS DEED is made on

2021

BETWEEN:

- (1) **Boart Longyear Limited** ACN 123 052 728 (**BLY**);
- (2) each other **Scheme Company** listed in the table under the row "Scheme Companies" in schedule 1;
- (3) the **Secured Scheme Creditors** (as defined in the Secured Creditors' Scheme (as defined below)) acting by the Secured Scheme Administrator pursuant to the authority conferred upon the Secured Scheme Administrator by the Secured Scheme Creditors under clause 5 of the Secured Creditors' Scheme;
- (4) the **Unsecured Scheme Creditors** (as defined in the Unsecured Creditors' Scheme (as defined below)) acting by the Unsecured Scheme Administrator pursuant to the authority conferred upon the Unsecured Scheme Administrator by the Unsecured Scheme Creditors under clause 5 of the Unsecured Creditors' Scheme;
- (5) **Christopher Clarke Hill** and **David Peter McGrath** of FTI Consulting, together being the Secured Scheme Administrators and Unsecured Scheme Administrators (**Scheme Administrators**);
- (6) **Wilmington Trust, National Association**, in its capacity as administrative agent and collateral agent under the Term Loan A and Term Loan B;
- (7) **U.S. Bank National Association**, in its capacity as trustee and collateral agent under the SSN Indenture (the **SSN Trustee**);
- (8) **U.S. Bank National Association**, in its capacity as collateral agent for the TLB Purchasers (the **TLB Collateral Agent**);
- (9) **Delaware Trust Company**, in its capacity as trustee under the SUN Indenture (the **SUN Trustee**);
- (10) **Boart Longyear Ltd.** (Ontario Corporation No. 002854330), a limited company incorporated in Ontario, Canada, with registered address Suite 2400, 333 Bay Street, Toronto, Canada (**New BLY Parent**);
- (11) each **Incremental Financier** listed in the table under the row "Incremental Financiers" in schedule 1;
- (12) **U.S. Bank National Association**, in its capacity as collateral agent under the Incremental Finance Facility (the **Incremental Collateral Agent**);
- (13) **Wilmington Trust, National Association**, in its capacity as agent under the Incremental Finance Facility (the **Incremental Agent**);
- (14) each **Existing Backstop ABL Financier** listed in the table under the row "Existing Backstop ABL Financiers" in schedule 1;
- (15) **Wilmington Trust, National Association**, in its capacity as collateral agent under the Existing Backstop ABL (the **Backstop Collateral Agent**); and
- (16) **Wilmington Trust, National Association**, in its capacity as agent under the Existing Backstop ABL (**Backstop Agent**).

RECITALS:

- (A) The Scheme Companies have proposed a restructuring of BLY and its subsidiaries' financial indebtedness to be implemented in accordance with the BLY Creditors' Schemes, this document and the other Restructuring Documents.
- (B) This is the "Restructuring Implementation Deed" referred to in the RSA, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, the Creditors' Schemes Explanatory Statement, the Members' Scheme and the Members' Scheme Explanatory Statement.
- (C) The purpose of this document is to give effect to certain of the steps in the Restructuring Documents and to formalise the consents, instructions, directions, waivers, steps and timing required to implement the Restructuring.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this document the following words, expressions and abbreviations have the following meanings, unless the context otherwise requires:

Adviser means each of the Scheme Companies' Advisers, AHG Advisers or the CBP Advisers (as applicable).

Agent has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Agent Claim has the meaning given to that term in clause 10.1(d)(ii).

Agent Deed Poll means the Agent Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively and to be executed by the Agents in accordance with clause 7(b).

Agent Demands has the meaning given to that term in clause 10.1(d)(ii)(C).

Agent Liabilities has the meaning given to that term in clause 10.1(d)(ii)(A).

Agent Losses has the meaning given to that term in clause 10.1(d)(ii)(B).

AHG means each person listed in the table under the row "AHG" in schedule 1, or any of their permitted transferees or assignees and **AHG Member** means any one of them.

AHG Advisers means Paul Weiss Rifkind Wharton & Garrison LLP, Gilbert + Tobin and Clifford Chance, Sydney (as legal advisers).

AHG Director Nomination Agreements has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Allocation Confirmation has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Allocations Spreadsheet has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Assumption Deed Poll means the deed poll of that name to be entered into by New BLY Parent in favour of holders of the New Warrants, the holders of the Existing Warrants, the holders of the Existing Options and the participants in the Long Term Incentive Plan.

ASX means ASX Limited or the financial market operated by ASX Limited, as the context requires.

Authorised Nominee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Backstop ABL Outgoing Consideration means an amount equal to all Obligations (other than contingent indemnification obligations) (as defined in the Existing Backstop ABL) outstanding as at the Creditors' Scheme Implementation Date.

Backstop ABL Pay Out Letter means the pay-out letter provided to the BLY Issuer by the Backstop Agent confirming the Backstop ABL Outgoing Consideration.

Backstop Agent Claim has the meaning given to that term in clause 10.5(d)(ii).

Backstop Agent Demands has the meaning given to that term in clause 10.5(d)(ii)(C).

Backstop Agent Liabilities has the meaning given to that term in clause 10.5(d)(ii)(A).

Backstop Agent Losses has the meaning given to that term in clause 10.5(d)(ii)(B).

Backstop Collateral Agent Claim has the meaning given to that term in clause 10.6(d)(ii).

Backstop Collateral Agent Demands has the meaning given to that term in clause 10.6(d)(ii)(C).

Backstop Collateral Agent Liabilities has the meaning given to that term in clause 10.6(d)(ii)(A).

Backstop Collateral Agent Losses has the meaning given to that term in clause 10.6(d)(ii)(B).

Backstop Finance Documents means together:

- (a) the Existing Backstop ABL;
- (b) any security granted by any or all of the members of the Group for the benefit of the Existing Backstop ABL Financiers; and
- (c) any document designated a Loan Document (as that term is defined in the Existing Backstop ABL).

BLY Creditors' Schemes means, collectively, the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

BLY Register means the register of members of BLY.

BLY Shareholder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Business Day has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CBP means each person listed in the table under the row "CBP" in schedule 1, or any of their permitted transferees or assignees and **CBP Member** means any one of them.

CBP Advisers means Kirkland & Ellis LLP and MinterEllison (as legal advisers).

CBP Director Nomination Agreement has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CDI has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Claim has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Collateral Agent has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs means costs, charges, fees and expenses.

Court has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditor Share Purchase Option has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Implementation Period has the meaning given to that term in clause 4.2(b).

Creditors' Scheme Implementation Date means the Proposed Creditors' Scheme Implementation Date, unless another date is determined and notified by a Scheme Administrator in accordance with clause 4.1(a), in which case that new date will be the Creditors' Scheme Implementation Date.

Creditors' Schemes Effective Date means the date on which the Scheme Effective Date under both the Secured Creditors' Scheme and the Unsecured Creditors' Scheme has occurred.

Creditors' Schemes Explanatory Statement means the explanatory statement prepared in accordance with the Corporations Act explaining the BLY Creditors' Schemes.

Creditors' Schemes Finance Documents has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Schemes Restructuring Effective Time means the time at which all of the Implementation Steps in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) to 8(h) (*Step 8 (Confirmation of Scheme Restructuring Effective Time)*) have been completed.

CSPO Allocation Principles has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CSPO Creditors means each Participating SUN Noteholder and each Other CSPO Participant.

CSPO Issue Price has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Demands has the meaning given to that term in clause 11.1(c).

Designated Recipient has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Effective has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

EGM means the extraordinary general meeting of BLY Shareholders to consider and vote on the shareholder resolutions to approve the Restructuring.

Execution Effective Date has the meaning given to it in clause 3.

Existing Backstop ABL has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Existing Backstop ABL Financiers means each entity listed in the table under the row "Existing Backstop ABL Financiers" in schedule 1.

Existing Options means the options granted to eligible participants to purchase Shares in accordance with:

- (a) the 2014 option plan established by BLY entitled "Boart Longyear Limited Option Plan";
- (b) the 2015 option plan established by BLY entitled "Boart Longyear Limited Option Plan"; and
- (c) the 2016 option plan established by BLY entitled "Boart Longyear Limited Option Plan".

Existing Warrants means each of the following instruments:

- (a) the quoted ordinary warrants trading on ASX initially issued in September 2017 to all eligible BLY Shareholders, which are subject to an Ordinary Warrant Deed Poll dated 31 August 2017 in favour of the warrant holders;
- (b) unquoted Class A 7% warrants initially issued in September 2017 to all holders of unsecured 1.50% subordinated PIK notes due 2022, which are subject to the Class A 7% Warrant Deed Poll dated 1 September 2017 in favour of the warrant holders; and
- (c) unquoted Class B 7% warrants initially issued in September 2017 to all holders of unsecured 1.50% subordinated PIK notes due 2022, which are subject to the Class B 7% Warrant Deed Poll dated 1 September 2017 in favour of the warrant holders.

Exit Financier means each bank, fund or other financial institution who is designated a lender (howsoever described) pursuant to the terms of the Exit Financing Facility.

Exit Financing Documents means:

- (a) the Exit Financing Facility;
- (b) the Exit Financing Security; and
- (c) any other document designated a loan document or a finance document (howsoever described) under the Exit Financing Facility.

Exit Financing Facility has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Exit Financing Security means security granted by any or all of the Group members that are party to the documents for the Exit Financing Facility for the benefit of the financiers and other finance parties under the Exit Financing Facility.

Funds Flow means the funds flow document prepared by BLY as the funds flow for the purpose of this document which sets out each party's entitlement to the funds distributed in accordance with the Implementation Steps, which will be provided to each CBP Member, each AHG Member, the Incremental Agent on behalf of the Incremental Financiers and the Backstop Agent on behalf of the Backstop ABL Financiers.

Government Agency has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Group has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

GST means the same as "GST" means in the GST Law.

GST Law means the same as "GST Law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Steps means each of the steps set out in clause 8.

Incremental Agent Claim has the meaning given to that term in clause 10.7(d)(ii).

Incremental Agent Demands has the meaning given to that term in clause 10.7(d)(ii)(C).

Incremental Agent Liabilities has the meaning given to that term in clause 10.7(d)(ii)(A).

Incremental Agent Losses has the meaning given to that term in clause 10.7(d)(ii)(B).

Incremental Collateral Agent Claim has the meaning given to that term in clause 10.8(d)(ii).

Incremental Collateral Agent Demands has the meaning given to that term in clause 10.1(d)(ii)(C).

Incremental Collateral Agent Liabilities has the meaning given to that term in clause 10.1(d)(ii)(A).

Incremental Collateral Agent Losses has the meaning given to that term in clause 10.1(d)(ii)(B).

Incremental Finance Documents has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Incremental Finance Facility has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Incremental Finance Outgoing Consideration means the amount equal to all Obligations (other than contingent indemnification obligations) (as defined in the Incremental Finance Facility) outstanding as at the Creditors' Scheme Implementation Date.

Incremental Finance Pay Out Letter means the pay out letter provided to the BLY Issuer by the Incremental Agent confirming the Incremental Finance Outgoing Consideration.

Incremental Financier means each person listed in the table under the row "Incremental Financiers" in schedule 1.

Liabilities has the meaning given to that term in clause 11.1(a).

Long Term Incentive Plan means Boart Longyear's 2020 Long Term Incentive Plan effective 30 July 2020.

Losses has the meaning given to that term in clause 11.1(b).

Members' Scheme has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Members' Scheme Consideration means one (1) New BLY Parent Share in the form of a CDI, for each one (1) Share held by a Re-domiciliation Member.

Members' Scheme Explanatory Statement means the explanatory statement prepared in accordance with the Corporations Act explaining the Members' Scheme.

Members' Scheme Implementation Date means the Proposed Members' Scheme Implementation Date, unless another date is determined and notified by a Scheme Administrator in accordance with clause 4.2(c), in which case that new date will be the Members' Scheme Implementation Date.

Members' Scheme Second Court Orders means the orders of the Court approving the Members' Scheme under section 411(6) of the Corporations Act.

New BLY Parent CDI means a CDI representing a beneficial interest in one New BLY Parent Share.

New BLY Parent Shares means one common share in the capital of New BLY Parent.

New Common Equity has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

New Warrants has the meaning given to that term in the Unsecured Creditors' Scheme.

Nominee has the meaning given to that term in clause 8.1(a) of the Secured Creditors' Scheme and clause 8.1(a) of the Unsecured Creditors' Scheme.

Non-Associated Shareholder means a BLY Shareholder who is not any of the following:

- (a) a TLA Purchaser, TLB Purchaser, SSN Noteholder or SUN Noteholder on the SBB Record Date or at any time after that date; or
- (b) an associate of any of the persons referred to in paragraph (a).

Obligors has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Other CSPO Participant has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Participating SUN Noteholder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Proposed Creditors' Scheme Implementation Date has the meaning given to it in clause 4.1(a).

Proposed Members' Scheme Implementation Date has the meaning given to it in clause 4.1(b).

Re-domiciliation Member means each BLY Shareholder recorded in the BLY Register as at the record date for the Members' Scheme, being those BLY Shareholders to receive the Members' Scheme Consideration under the Members' Scheme.

Restructuring means the proposed restructuring of the existing indebtedness and equity of the Group to be effected by completing the Implementation Steps.

Restructuring Documents means this document and each of the documents listed in schedule 2 of this document.

RSA has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Sale Agent has the meaning given to that term in the Members' Scheme.

SBB Record Date means the date for determination of BLY Shareholders who are entitled to participate in the Selective Buy-Back, being 7.00 pm (Sydney time) on 28 July 2021.

Scheme Administrators means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, being the Secured Scheme Administrators and Unsecured Scheme Administrators.

Scheme Companies means BLY and each other Scheme Company listed in the table under the row "Scheme Companies" in schedule 1.

Scheme Companies Advisers means Ashurst, Milbank LLP, Dorsey & Whitney LLP, Fasken (as legal advisers).

Scheme Effective Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors (as defined in the Secured Creditors' Scheme), being the compromise or arrangement proposed by the Scheme Companies and approved by the Court immediately prior to the entry into this document.

Secured Creditors' Scheme Deed Poll has the meaning given to that term in the Secured Creditors' Scheme.

Secured Scheme Administrator has the meaning given to that term in the Secured Creditors' Scheme.

Secured Scheme Consideration means the New Common Equity to be issued to Secured Scheme Creditors in accordance with clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*).

Secured Scheme Creditors has the meaning given to that term in the Secured Creditors' Scheme.

Selective Buy-Back has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Selective Buy-Back Consideration means the amount payable by BLY to a Selective Buy-Back Shareholder for the purchase of Shares from the Selective Buy-Back Shareholder in accordance with the Selective Buy-Back.

Selective Buy-Back Shareholders means an eligible Non-Associated Shareholder who offers to sell their Shares to BLY by electing to participate in the Selective Buy-Back and from whose offer to sell Shares is accepted by BLY in its absolute discretion.

Share Purchase Plan has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Shares means fully paid ordinary shares in the capital of BLY.

SPP Shareholders means those eligible BLY Shareholders who elect to purchase Shares in accordance with the Share Purchase Plan.

SSN Indenture has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Noteholders has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Notes Registered Holder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

SSN Trustee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Trustee Claim has the meaning given to that term in clause 10.3(d)(ii)(A).

SSN Trustee Deed Poll means each SSN Trustee Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme and to be executed by the SSN Trustee in accordance with clause 7(b).

SSN Trustee Demands has the meaning given to that term in clause 10.3(d)(ii)(C).

SSN Trustee Liabilities has the meaning given to that term in clause 10.3(d)(ii)(A).

SSN Trustee Losses has the meaning given to that term in clause 10.3(d)(ii)(B).

SSN Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

Subordinate Claim Holder has the meaning given to that term in the in Unsecured Creditors' Scheme.

SUN Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

SUN Indenture has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Noteholders has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Notes Registered Holder has the meaning given to that term in the Unsecured Creditors' Scheme.

SUN Trustee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Trustee Claim has the meaning given to that term in clause 10.4(d)(ii)(A).

SUN Trustee Deed Poll means the SUN Trustee Deed Poll set out in the Unsecured Creditors' Scheme and to be executed by the SUN Trustee in accordance with clause 7(c).

SUN Trustee Demands has the meaning given to that term in clause 10.4(d)(ii)(C).

SUN Trustee Liabilities has the meaning given to that term in clause 10.4(d)(ii)(A).

SUN Trustee Losses has the meaning given to that term in clause 10.4(d)(ii)(B).

Sunset Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Term Loan A has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Term Loan B has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLA Purchasers has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLA Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

TLA Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

TLB Collateral Agent Claim has the meaning given to that term in clause 10.2(d)(ii).

TLB Collateral Agent Deed Poll means each TLB Collateral Agent Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme and to be executed by the TLB Collateral Agent in accordance with clause 7(c).

TLB Collateral Agent Demands has the meaning given to that term in clause 10.2(d)(ii)(C).

TLB Collateral Agent Liabilities has the meaning given to that term in clause 10.2(d)(ii)(A).

TLB Collateral Agent Losses has the meaning given to that term in clause 10.2(d)(ii)(B).

TLB Proxy Form means the TLB Proxy Form completed by a TLB Purchaser in accordance with and substantially in the form set out in the Creditors' Schemes Explanatory Statement.

TLB Purchasers has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLB Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

TLB Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

Total New Warrants has the meaning given to that term in the Unsecured Creditors' Scheme.

Transaction Securities means:

- (a) the New Common Equity;
- (b) the Shares to be issued by BLY in accordance with the Share Purchase Plan;
- (c) the Shares to be issued by BLY in accordance with the Creditor Share Purchase Option; and
- (d) the New Warrants.

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by the Scheme Companies and approved by the Court in 2021.

Unsecured Creditors' Scheme Deed Poll has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Scheme Administrator has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Scheme Consideration means the New Common Equity and, if applicable, New Warrants to be issued to Unsecured Scheme Creditors in accordance with clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*).

Unsecured Scheme Creditors has the meaning given to that term in the Unsecured Creditors' Scheme.

Voting Entitlement Record Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

1.2 **Rules for interpreting this document**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party is a reference to a person who is bound by this document, and any person who agrees to be bound whether by deed poll or otherwise;
 - (iv) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;

- (v) a clause, term, schedule or attachment is a reference to a clause or term of, or, schedule or attachment to this document;
- (vi) this document includes all schedules and attachments to it;
- (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment; and
 - (D) any rule or principle of common law or equity,
 and is a reference to that law as amended, supplemented, consolidated, replaced, overruled or applied to new or different facts;
- (viii) an agreement other than this document includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;
- (ix) "**dollars**" or "**US\$**" or "**\$**" is to an amount in the currency of the United States of America unless otherwise indicated;
- (x) "**AU\$**" is to an amount in the currency of the Commonwealth of Australia;
- (xi) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing; and
- (xii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) Unless expressly provided otherwise, an agreement on the part of two or more persons binds them severally.
- (g) Unless expressly provided otherwise, a reference to a date or time is to that date or time in Sydney, New South Wales.
- (h) The expressions **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is several and not joint or joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

1.5 **The rule about "contra proferentem"**

This document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision of it or because that party relies on a provision of this document to protect itself.

2. **THIRD PARTIES**

2.1 **Capacity of the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee**

Any action taken (including the giving of any release) in connection with this document by:

- (a) the Agent, or on its behalf, is done in its capacity as administrative agent or collateral agent, or both, under the Term Loan A or Term Loan B, as the context requires, and not in the Agent's personal capacity;
- (b) the TLB Collateral Agent, or on its behalf, is done in its capacity as collateral agent for the TLB Purchasers, and not in the TLB Collateral Agent's personal capacity or in its capacity as agent or collateral agent for any other person;
- (c) the SSN Trustee, or on its behalf, is done in its capacity as trustee or collateral agent under the SSN Indenture and not in the SSN Trustee's personal capacity; and
- (d) the SUN Trustee, or on its behalf, is done in its capacity as trustee under the SUN Indenture and not in the SUN Trustee's personal capacity.

2.2 **Relationship with Other Documents**

- (a) This document, the RSA and each of the other Restructuring Documents set out the parties' entire understanding of the Restructuring and supersede any previous agreement between any of the parties with respect to the Restructuring.
- (b) In the event of any inconsistency between this document and:
 - (i) the RSA, this document shall prevail, provided that nothing in this document should be interpreted as affecting or limiting any party's consent rights under the RSA; and
 - (ii) any of the other Restructuring Documents, the relevant Restructuring Document shall prevail.

3. **EFFECTIVENESS**

This document in its entirety will become effective and legally binding among the parties, on and from the date on which a Scheme Administrator gives notice to all parties to this document and the Advisers in writing that (the **Execution Effective Date**):

- (a) the Creditors' Schemes Effective Date has occurred;
- (b) a Scheme Administrator (on behalf of the Scheme Administrators and on behalf of the Secured Scheme Creditors and the Unsecured Scheme Creditors, as applicable) has duly executed this document; and
- (c) each of the other parties has duly executed this document.

4. **IMPLEMENTATION**

4.1 **Proposed Implementation Dates**

On the same Business Day as the Execution Effective Date, or as soon as reasonably practicable thereafter, a Scheme Administrator (acting reasonably) must give notice to the Scheme Companies, the Agent, the SSN Trustee, the TLB Collateral Agent, the SUN Trustee, the Incremental Collateral Agent, the Incremental Agent, the Backstop Collateral Agent, the Backstop Agent and the Advisers notifying them of the date on which the Scheme Administrators propose the Implementation Steps:

- (a) in clauses 8(a) to 8(h) (inclusive) to implement the BLY Creditors' Schemes (including the Creditor Share Purchase Option), Share Purchase Plan and Selective Buy-Back will be commenced (the **Proposed Creditors' Scheme Implementation Date**); and
- (b) subject to the Court making the Members' Scheme Second Court Orders, in clauses 8(i) to 8(j) (inclusive) to implement the Members' Scheme will be commenced, which must be a date that is no later than 30 days after the Creditors' Schemes Restructuring Effective Time or such other date as the Scheme Administrators deem reasonably necessary in the circumstances (the **Proposed Members' Scheme Implementation Date**).

4.2 **Timing of BLY Creditors' Scheme Implementation Steps**

- (a) As soon as reasonably practicable after BLY has received notice of the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date, BLY must make a public announcement published on ASX setting out the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date.
- (b) Subject to clause 4.2(c), all of the Implementation Steps set out in clauses 8(a) to 8(h) (inclusive) must occur within 3 Business Days (**Creditors' Implementation Period**) following the Proposed Creditors' Scheme Implementation Date in accordance with their terms.
- (c) If a Scheme Administrator forms the view that not all of the Implementation Steps in clauses 8(a) to 8(h) (inclusive) can be completed during the Creditors' Implementation Period a Scheme Administrator must determine a new Proposed Creditors' Scheme Implementation Date and:
 - (i) a Scheme Administrator must, as soon as reasonably practicable after the change, give notice to the Advisers of the details of that change (including the reasons for it); and

- (ii) BLY as soon as reasonably practicable must make a further public announcement published on ASX setting out the change to the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date.

5. **ALLOCATIONS AND DELIVERY OF TOTAL RESTRUCTURING CONSIDERATION**

Each party's entitlement to the Transaction Securities and funds issued pursuant to the applicable Restructuring Documents and distributed in accordance with the Implementation Steps must be set out in the Allocations Spreadsheet and Funds Flow and shall be calculated as follows:

- (a) each Secured Scheme Creditors' applicable share of the Secured Scheme Consideration shall be determined as set out in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (b) each Unsecured Scheme Creditors' applicable share of the Unsecured Scheme Consideration shall be determined as set out in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (c) the number of new Shares to be issued to each CSPO Creditor under the Creditor Share Purchase Option shall be determined by BLY in accordance with the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the CSPO Allocation Principles;
- (d) the number of new Shares to be issued to each SPP Shareholder under the Share Purchase Plan shall be determined by BLY as set out in the terms of the Share Purchase Plan;
- (e) the Selective Buy-Back Consideration payable to each Selective Buy-Back Shareholder shall be determined by BLY in accordance with the terms of the Selective Buy-Back;
- (f) the Incremental Finance Outgoing Consideration, as set out in the Incremental Finance Pay Out Letter; and
- (g) the Backstop ABL Outgoing Consideration, as set out in the Backstop ABL Pay Out Letter.

6. **MECHANICS OF IMPLEMENTATION STEPS**

6.1 **Definitions, interpretation and undertaking not to make Claims**

- (a) Subject to clause 6.1(c), all releases and discharges in clause 8 are irrevocable at and from the time they are expressed to take effect.
- (b) Anything (including an issue, allotment, release or discharge) occurring under an Implementation Step is binding and effective even if there is no consideration for it.
- (c) Where, in the opinion of the Scheme Administrators, acting reasonably, as a result of a release, discharge, allotment, issue or other event referred to or contemplated by an Implementation Step failing to occur or to take effect, it is not possible to give effect to the intent and purpose of the Restructuring in all material respects:
 - (i) no other release, discharge, allotment, issue or other event referred to or contemplated by the Implementation Steps has effect (including as a result of non-satisfaction of a condition to a released Claim or released obligation, if any), and each such release, discharge, allotment, issue or other event is deemed not to have effect; and

- (ii) each party shall do all things reasonably necessary to put each other party in the position it would have been in if none of the Implementation Steps had occurred. This clause 6.1(c)(ii) survives and continues in effect notwithstanding the effect of clause 12.2 (*Sunset date*).

6.2 **Scheme Administrators' register and certification**

- (a) The Scheme Administrators must keep a register noting the time of completion of the Implementation Steps and a Scheme Administrator must sign it where indicated following completion of each Implementation Step. Each of the register and a copy of the register certified by a Scheme Administrator will be conclusive evidence that the Implementation Step was completed at the time noted in the register.
- (b) As soon as practicable after:
 - (i) completion of the Implementation Steps in clauses 8(a) and 8(b); and
 - (ii) completion of the remaining Implementation Steps in clauses 8(c) to 8(j),

a Scheme Administrator will give a copy of the register showing the status of the completion of the Implementation Steps, certified by the Scheme Administrators, to the Advisers, and the legal advisers of the Incremental Financiers, the legal advisers of the Exit Financier, the legal advisers of the Agent, the legal advisers of the TLB Collateral Agent, the legal advisers of the SSN Trustee and the legal advisers of the SUN Trustee.

7. **PRE-IMPLEMENTATION STEPS**

On and from Scheme Effective Date, prior to any Implementation Step commencing:

- (a) first, the Scheme Administrators must execute and deliver the Secured Creditors' Scheme Deed Poll and the Unsecured Creditors' Scheme Deed Poll;
- (b) second:
 - (i) each TLA Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, each TLB Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the Agent all instructions, consents and directions to execute and deliver the Agent Deed Poll and to perform its obligations under the Agent Deed Poll and the BLY Creditors' Schemes;
 - (ii) each TLB Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the TLB Collateral Agent all instructions, consents and directions to execute and deliver the TLB Collateral Agent Deed Poll and to perform its obligations under the TLB Collateral Agent Deed Poll and the BLY Creditors' Schemes;
 - (iii) each SSN Noteholder and the SSN Notes Registered Holder which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the SSN Trustee all instructions, consents and directions to execute and deliver the SSN Trustee Deed Poll and to perform its obligations under the SSN Trustee Deed Poll and the BLY Creditors' Schemes;
 - (iv) each SUN Noteholder and the SUN Notes Registered Holder which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the SUN Trustee all instructions, consents and directions to execute and deliver the SUN Trustee Deed Poll and to perform its obligations under the SUN Trustee Deed Poll and the Unsecured Creditors' Scheme; and

- (v) a Scheme Administrator must provide to the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee (as applicable) written notice of the respective instructions and consents referred to this clause 7(b) on behalf of each Secured Scheme Creditor and Unsecured Scheme Creditor (as applicable);
- (c) third, in accordance with the instructions set out in clauses 7(b)(i), 7(b)(ii), 7(b)(iii) and 7(b)(iv) of this document and under the BLY Creditors' Schemes:
 - (i) the Agent will execute and deliver to the Scheme Administrators the Agent Deed Poll;
 - (ii) the TLB Collateral Agent will execute and deliver to the Scheme Administrators the TLB Collateral Agent Deed Poll;
 - (iii) the SSN Trustee will execute and deliver to the Scheme Administrators the SSN Trustee Deed Poll; and
 - (iv) the SUN Trustee will execute and deliver to the Scheme Administrators the SUN Trustee Deed Poll;
- (d) fourth, the Agent shall provide to the Scheme Administrators and BLY a table which shows, according to the Agent's records the amount outstanding under the Term Loan A and Term Loan B as at the Voting Entitlement Record Date;
- (e) fifth, BLY must provide to the Scheme Administrators a table which shows according to BLY's records the full name, postal address and email address of each Secured Scheme Creditor and Unsecured Scheme Creditor; and
- (f) sixth, a Scheme Administrator will:
 - (i) confirm that he or she has a copy of the Allocations Spreadsheet and Funds Flow and in the absence of manifest error, all of the calculations in the Allocations Spreadsheet and Funds Flow shall be final and binding on the parties;
 - (ii) give a copy of the Allocations Spreadsheet to the Advisers, the legal advisers of the Agent, the legal advisers of the TLB Collateral Agent, the legal advisers of the SSN Trustee and the legal advisers of the SUN Trustee; and
 - (iii) give a copy of the Funds Flow to the Advisers, and the legal advisers of the Incremental Financiers and the legal advisers of the Exit Financiers.

8. IMPLEMENTATION STEPS

(a) Step 1 (Issue of Shares and New Warrants)

Subject to clause 7, on the Creditors' Scheme Implementation Date, in accordance with clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme and clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme, BLY:

- (i) shall issue to each:
 - (A) TLA Purchaser which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLA Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;

- (B) TLB Purchaser which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLB Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (C) SSN Noteholder which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the SSN Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (D) TLA Purchaser which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLA Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (E) TLB Purchaser which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLB Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (F) SSN Noteholder which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the SSN Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme; and
- (G) SUN Noteholder which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of:
 - (aa) the SUN Equity Entitlement; and
 - (bb) the Total New Warrants,
 as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;

in each case, in the amounts set out in the Allocations Spreadsheet.

(b) **Step 2 (Releases)**

On and from completion of Step 1 (*Issue of Shares and New Warrants*) each of the waivers, releases and discharges in clause 10.1(a) of the Secured Creditors' Scheme and clause 10.1(a) of the Unsecured Creditors' Scheme take effect.

(c) **Step 3 (Exit Financing)**

Immediately after completion of Step 2 (*Releases*) the Exit Financing Facility is made available for drawing and the proceeds of the first drawing are applied in accordance with the Funds Flow to repay the Backstop ABL Outgoing Consideration and the Incremental Finance Outgoing Consideration.

(d) **Step 4 (Share Purchase Plan)**

Immediately after completion of Step 3 (*Exit Financing*), BLY will issue new Shares to each of the SPP Shareholders pursuant to the terms of the Share Purchase Plan.

(e) **Step 5 (Creditor Share Purchase Option)**

Immediately after completion of Step 4 (*Share Purchase Plan*), BLY will issue to each CSPO Creditor the number of Shares allocated to that CSPO Creditor under the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles, provided that BLY has received payment from that CSPO Creditor of the aggregate CSPO Issue Price payable by that CSPO Creditor for those Shares by the date required in the Allocation Confirmation given to that CSPO Creditor.

(f) **Step 6 (Selective Buy-Back)**

(i) Provided that:

- (A) the Selective Buy-Back is approved by BLY Shareholders at the EGM;
- (B) the Members' Scheme is approved by BLY Shareholders; and
- (C) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme have become Effective,

immediately after completion of Step 5 (*Creditor Share Purchase Option*), all of the Shares which BLY elects to purchase under the Selective Buy-Back will be transferred to BLY and cancelled in accordance with the Corporations Act.

(ii) Provided that:

- (A) the Selective Buy-Back is approved by BLY Shareholders at the EGM;
- (B) the Members' Scheme is approved by BLY Shareholders; and
- (C) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme have become Effective,

the Selective Buy-Back Consideration will be paid (by electronic bank transfer or mailing a cheque) to BLY Shareholders on or about 3 Business Days after the Creditors' Schemes Restructuring Effective Time.

(g) **Step 7 (Subordinate Claim Releases)**

Immediately after completion of clause 8(f)(i) of Step 6 (*Selective Buy-Back*) or, if the conditions in sub-clauses 8(f)(i)(A) to 8(f)(i)(C) are not satisfied such that Step 6 (*Selective Buy-Back*) does not proceed, immediately after completion of Step 5 (*Creditor Share Purchase Option*), the releases provided for in clause 10.2 (*Subordinate Claim releases*) of the Unsecured Creditors' Scheme take effect.

(h) **Step 8 (Confirmation of Scheme Restructuring Effective Time)**

Immediately after completion of Step 7 (*Subordinate Claim Releases*):

- (i) BLY will cause the BLY share register to be updated and provide a copy of it to the Scheme Administrators; and
- (ii) a Scheme Administrator will issue a certificate to the Secured Scheme Creditors and the Unsecured Scheme Creditors advising of the Creditors' Schemes Restructuring Effective Time and notifying each Secured Scheme Creditor and each Unsecured Scheme Creditor of their respective shareholdings in BLY.

(i) **Step 9 (Assumption Deed Poll)**

If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act, then the Assumption Deed Poll will take effect on the date that the Members' Scheme becomes effective under section 411(10) of the Corporations Act.

(j) **Step 10 (Members' Scheme Implementation)**

If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act, then, on the Members' Scheme Implementation Date, the Members' Scheme shall be implemented in accordance with clause 3.1 of the Members' Scheme pursuant to which:

- (i) New BLY Parent will issue to the Authorised Nominee one New BLY Parent Share in respect of each Share held by Re-domiciliation Members on the record date for the Members' Scheme;
- (ii) New BLY Parent will issue or procure the issue to each Re-domiciliation Member or the Sale Agent (as applicable) of one New BLY Parent CDI for each Share held by the Re-domiciliation Member on the record date for the Members' Scheme; and
- (iii) BLY, as agent for each Re-domiciliation Member, will procure the transfer to New BLY Parent of all of the Shares held by each Re-domiciliation Member as at the record date for the Members' Scheme.

9. **HOLDING STATEMENTS**

- (a) BLY will procure that each person who is issued new Shares under the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, the Creditor Share Purchase Option and Share Purchase Plan is sent a holding statement (or equivalent document) on or as soon as practicable after the Creditors' Scheme Implementation Date.
- (b) If the Members' Scheme becomes effective under section 411(10) of the Corporations Act, New BLY Parent will procure that each Re-domiciliation Member is sent a holding statement (or equivalent document) representing the number of New BLY Parent CDIs issued to that Re-domiciliation Member under the Members' Scheme within one Business Day following the Members' Scheme Implementation Date.

10. **THE AGENT, THE TLB COLLATERAL AGENT, THE SSN TRUSTEE, THE SUN TRUSTEE, THE BACKSTOP AGENT, THE BACKSTOP COLLATERAL AGENT, THE INCREMENTAL AGENT AND THE INCREMENTAL COLLATERAL AGENT**

10.1 **The Agent**

- (a) The Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Term Loan A and Term Loan B are responsible for their own management functions and decisions relating to the performance of any duty or function by the Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Agent may rely on and assume that (and shall not be required to verify):

- (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the Agent Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the Agent to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
- (i) If the Agent does not perform any of its obligations under this document and the Agent Deed Poll, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.1(d) only applies to the extent the restriction in the first sentence in this clause 10.1(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Agent is not, in the performance or exercise of its obligations, functions and duties under this document or the Agent Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the Agent Deed Poll (**Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.1(d)(ii) and subject to clause 10.1(d)(v) and to the extent permitted by law:
 - (A) the liability of the Agent to any other party in respect of any Agent Claim is limited to the extent that the Agent is entitled and able to recover the amount of that liability pursuant to the Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Agent Claim may be made against the Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Agent's liability applies despite any other provision of this document or the Agent Deed Poll and extends to all liabilities and obligations of the Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the Agent Deed Poll.
 - (iv) Each party agrees and acknowledges that it will not, in respect of any Agent Claim:

- (A) subject to clause 10.1(d)(v), bring proceedings against the Agent for any Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the Creditors' Schemes Finance Documents) appointed to the Agent or its assets.
- (v) The limitation in clause 10.1(d)(iii) does not apply in respect of an Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Creditors' Schemes Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Agent Claim.
- (vi) This clause 10.1(d) survives completion or termination of this document, the Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Agent for:
 - (A) all Agent Liabilities, Agent Losses and Agent Demands (as defined in clause 10.1(d)); and
 - (B) all personal liability that the Agent may incur in respect of,

the execution of and performance of obligations under, this document and the Agent Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.1(e)(i) is without limitation as to time notwithstanding the removal of the Agent as administrative agent or collateral agent under the Creditors' Schemes Finance Documents and the appointment of a replacement administrative agent or collateral agent, the resignation of the Agent or the termination of this document, the Agent Deed Poll, the Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.
 - (iii) The indemnity under clause 10.1(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Agent and shall extend to all actions, suits, proceedings, accounts, Agent Liabilities, Agent Claims and Agent Demands arising in any way out of any defect in the appointment of the Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Agent may have against any other person to be indemnified against the Costs, Agent Losses and Agent Liabilities incurred by the Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Agent by or in connection with the Creditors' Schemes Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

10.2 **TLB Collateral Agent**

- (a) TLB Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to the Term Loan B, SSN Indenture and Incremental Finance Documents are responsible for their own management functions and decisions relating to the performance of any duty or function by TLB Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, TLB Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) TLB Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the TLB Collateral Agent Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for TLB Collateral Agent to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the TLB Collateral Agent does not perform any of its obligations under this document and the TLB Collateral Agent Deed Poll, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.2(d) only applies to the extent the restriction in the first sentence in this clause 10.2(d)(i) is unenforceable or invalid for any reason.
 - (ii) The TLB Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document or the TLB Collateral Agent Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the TLB Collateral Agent Deed Poll (**TLB Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**TLB Collateral Agent Liabilities**);

- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**TLB Collateral Agent Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**TLB Collateral Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.2(d)(ii) and subject to clause 10.2(d)(v) and to the extent permitted by law:
 - (A) the liability of the TLB Collateral Agent to any other party in respect of any TLB Collateral Agent Claim is limited to the extent that the TLB Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further TLB Collateral Agent Claim may be made against the TLB Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the TLB Collateral Agent's liability applies despite any other provision of this document or the TLB Collateral Agent Deed Poll and extends to all liabilities and obligations of the TLB Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the TLB Collateral Agent Deed Poll.
- (iv) Each party agrees and acknowledges that it will not, in respect of any TLB Collateral Agent Claim:
 - (A) subject to clause 10.2(d)(v), bring proceedings against the TLB Collateral Agent for any TLB Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the Creditors' Schemes Finance Documents) appointed to the TLB Collateral Agent or its assets.
- (v) The limitation in clause 10.2(d)(iii) does not apply in respect of a TLB Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the TLB Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the TLB Collateral Agent Claim.

(vi) This clause 10.2(d) survives completion or termination of this document, the TLB Collateral Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

(e) **(Indemnity)**

(i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the TLB Collateral Agent for:

(A) all TLB Collateral Agent Liabilities, TLB Collateral Agent Losses and TLB Collateral Agent Demands (as defined in clause 10.2(d)); and

(B) all personal liability that the TLB Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document and the TLB Collateral Agent Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.

(ii) The indemnity under clause 10.2(e)(i) is without limitation as to time notwithstanding the removal of the TLB Collateral Agent as trustee or collateral agent under the Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the TLB Collateral Agent or the termination of this document, the TLB Collateral Agent Deed Poll, the Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

(iii) The indemnity under clause 10.2(e) shall not:

(A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the TLB Collateral Agent and shall extend to all actions, suits, proceedings, accounts, TLB Collateral Agent Liabilities, TLB Collateral Agent Claims and TLB Collateral Agent Demands arising in any way out of any defect in the appointment of the TLB Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

(B) affect or prejudice all or any rights that the TLB Collateral Agent may have against any other person to be indemnified against the Costs, TLB Collateral Agent Losses and TLB Collateral Agent Liabilities incurred by the TLB Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the TLB Collateral Agent by or in connection with the Creditors' Schemes Finance Documents.

(iv) This indemnity survives completion or termination of this document, the TLB Collateral Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

10.3 **The SSN Trustee**

(a) The SSN Trustee's duties and functions under this document are solely mechanical and administrative in nature. The other parties to SSN Indenture are responsible for their own management functions and decisions relating to the performance of any duty or function by the SSN Trustee under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the SSN Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The SSN Trustee may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the SSN Trustee Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the SSN Trustee to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the SSN Trustee does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.3(d) only applies to the extent the restriction in the first sentence in this clause 10.3(d)(i) is unenforceable or invalid for any reason.
 - (ii) The SSN Trustee is not, in the performance or exercise of its obligations, functions and duties under this document or the SSN Trustee Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the SSN Trustee Deed Poll (**SSN Trustee Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**SSN Trustee Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**SSN Trustee Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**SSN Trustee Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.3(d)(ii) and subject to clause 10.3(d)(v) and to the extent permitted by law:
 - (A) the liability of the SSN Trustee to any other party in respect of any SSN Trustee Claim is limited to the extent that the SSN Trustee is entitled and able to recover the amount of that liability pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further SSN Trustee Claim may be made against the SSN Trustee for any amount outstanding after exercise of such rights; and

- (C) this limitation of the SSN Trustee's liability applies despite any other provision of this document or the SSN Trustee Deed Poll and extends to all liabilities and obligations of the SSN Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the SSN Trustee Deed Poll.
 - (iv) Each party agrees and acknowledges that it will not, in respect of any SSN Trustee Claim:
 - (A) subject to clause 10.3(d)(v), bring proceedings against the SSN Trustee for any SSN Trustee Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the SSN Indenture) appointed to the SSN Trustee or its assets.
 - (v) The limitation in clause 10.3(d)(iii) does not apply in respect of a SSN Trustee Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the SSN Trustee acting negligently, with wilful misconduct or fraudulently giving rise to the SSN Trustee Claim.
 - (vi) This clause 10.3(d) survives completion or termination of this document, the SSN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the SSN Indenture, and any other Creditors' Schemes Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the SSN Trustee for:
 - (A) all SSN Trustee Liabilities, SSN Trustee Losses and SSN Trustee Demands (as defined in clause 10.3(d)); and
 - (B) all personal liability that the SSN Trustee may incur in respect of,

the execution of and performance of obligations under, this document and the SSN Trustee Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.3(e)(i) is without limitation as to time notwithstanding the removal of the SSN Trustee as trustee or collateral agent under the SSN Indenture or any other Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the SSN Trustee or the termination of this document, the SSN Trustee Deed Poll, the SSN Indenture, any other Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.3(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the SSN Trustee and shall extend to all actions, suits, proceedings, accounts, SSN Trustee Liabilities, SSN Trustee Claims and SSN Trustee Demands arising in any way out of any defect in the appointment of the SSN Trustee, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the SSN Trustee may have against any other person to be indemnified against the Costs, SSN Trustee Losses and SSN Trustee Liabilities incurred by the SSN Trustee in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the SSN Trustee by or in connection with the Creditors' Schemes Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the SSN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, and the SSN Indenture, and any other Creditors' Schemes Finance Documents.

10.4 **The SUN Trustee**

- (a) The SUN Trustee's duties and functions under this document are solely mechanical and administrative in nature. The other parties to SUN Indenture are responsible for their own management functions and decisions relating to the performance of any duty or function by the SUN Trustee under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the SUN Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The SUN Trustee may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the SUN Trustee Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the SUN Trustee to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the SUN Trustee does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.4(d) only applies to the extent the restriction in the first sentence in this clause 10.4(d)(i) is unenforceable or invalid for any reason.
 - (ii) The SUN Trustee is not, in the performance or exercise of its obligations, functions and duties under this document or the SUN Trustee Deed Poll, personally liable for:

- (A) any cause of action, claim or loss arising under this document or the SUN Trustee Deed Poll (**SUN Trustee Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**SUN Trustee Liabilities**);
- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**SUN Trustee Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**SUN Trustee Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.4(d)(ii) and subject to clause 10.4(d)(v) and to the extent permitted by law:
 - (A) the liability of the SUN Trustee to any other party in respect of any SUN Trustee Claim is limited to the extent that the SUN Trustee is entitled and able to recover the amount of that liability pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further SUN Trustee Claim may be made against the SUN Trustee for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the SUN Trustee's liability applies despite any other provision of this document or the SUN Trustee Deed Poll and extends to all liabilities and obligations of the SUN Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the SUN Trustee Deed Poll.
- (iv) Each party agrees and acknowledges that it will not, in respect of any SUN Trustee Claim:
 - (A) subject to clause 10.4(d)(v), bring proceedings against the SUN Trustee for any SUN Trustee Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the SUN Indenture) appointed to the SUN Trustee or its assets.
- (v) The limitation in clause 10.4(d)(iii) does not apply in respect of a SUN Trustee Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the SUN Trustee acting negligently, with wilful misconduct or fraudulently giving rise to the SUN Trustee Claim.

- (vi) This clause 10.4(d) survives completion or termination of this document, the SUN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the SUN Indenture, and any other Creditors' Schemes Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the SUN Trustee for:

- (A) all SUN Trustee Liabilities, SUN Trustee Losses and SUN Trustee Demands (as defined in clause 10.4(d)); and

- (B) all personal liability that the SUN Trustee may incur in respect of,

the execution of and performance of obligations under, this document and the SUN Trustee Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.4(e)(i) is without limitation as to time notwithstanding the removal of the SUN Trustee as trustee or collateral agent under the SUN Indenture or any other Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the SUN Trustee or the termination of this document, the SUN Trustee Deed Poll, the SUN Indenture, any other Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.4(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the SUN Trustee and shall extend to all actions, suits, proceedings, accounts, SUN Trustee Liabilities, SUN Trustee Claims and SUN Trustee Demands arising in any way out of any defect in the appointment of the SUN Trustee, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the SUN Trustee may have against any other person to be indemnified against the Costs, SUN Trustee Losses and SUN Trustee Liabilities incurred by the SUN Trustee in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the SUN Trustee by or in connection with the Creditors' Schemes Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the SUN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, and the SUN Indenture, and any other Creditors' Schemes Finance Documents.

10.5 **The Backstop Agent**

- (a) The Backstop Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Existing Backstop ABL are

responsible for their own management functions and decisions relating to the performance of any duty or function by the Backstop Agent under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the Backstop Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Backstop Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Backstop Finance Documents includes such powers and authorities as are sufficient for the Backstop Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Backstop Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.5(d) only applies to the extent the restriction in the first sentence in this clause 10.5(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Backstop Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Backstop Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Backstop Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Backstop Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Backstop Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.5(d)(ii) and subject to clause 10.5(d)(v) and to the extent permitted by law:
 - (A) the liability of the Backstop Agent to any other party in respect of any Backstop Agent Claim is limited to the extent that the Backstop Agent is entitled and able to recover the amount of that liability pursuant to the Backstop Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);

- (B) no further Backstop Agent Claim may be made against the Backstop Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Backstop Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Backstop Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Backstop Agent Claim:
- (A) subject to clause 10.5(d)(v), bring proceedings against the Backstop Agent for any Backstop Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Backstop Agent or its assets.
- (v) The limitation in clause 10.5(d)(iii) does not apply in respect of a Backstop Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Backstop Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Backstop Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Backstop Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Backstop Agent Claim.
- (vi) This clause 10.5(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Backstop Agent for:
 - (A) all Backstop Agent Liabilities, Backstop Agent Losses and Backstop Agent Demands (as defined in clause 10.5(d)); and
 - (B) all personal liability that the Backstop Agent may incur in respect of, the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.5(e)(i) is without limitation as to time notwithstanding the removal of the Backstop Agent as agent under the Backstop Finance Documents and the appointment of a replacement agent, the resignation of the Backstop Agent or the termination of this document, the Backstop Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.
 - (iii) The indemnity under clause 10.5(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Backstop Agent and shall extend to all actions, suits, proceedings, accounts, Backstop Agent Liabilities, Backstop Agent Claims and Backstop Agent Demands arising in any way out of any defect in the appointment of the Backstop Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the Backstop Agent may have against any other person to be indemnified against the Costs, Backstop Agent Losses and Backstop Agent Liabilities incurred by the Backstop Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Backstop Agent by or in connection with the Backstop Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

10.6 **The Backstop Collateral Agent**

- (a) The Backstop Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Existing Backstop ABL are responsible for their own management functions and decisions relating to the performance of any duty or function by the Backstop Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Backstop Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Backstop Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Backstop Finance Documents includes such powers and authorities as are sufficient for the Backstop Collateral Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Backstop Collateral Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.6(d) only applies to the extent the restriction in the first sentence in this clause 10.6(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Backstop Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:

- (A) any cause of action, claim or loss arising under this document (**Backstop Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Backstop Collateral Agent Liabilities**);
- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Backstop Collateral Agent Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Backstop Collateral Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.6(d)(ii) and subject to clause 10.6(d)(v) and to the extent permitted by law:
 - (A) the liability of the Backstop Collateral Agent to any other party in respect of any Backstop Collateral Agent Claim is limited to the extent that the Backstop Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Backstop Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Backstop Collateral Agent Claim may be made against the Backstop Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Backstop Collateral Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Backstop Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Backstop Collateral Agent Claim:
 - (A) subject to clause 10.6(d)(v), bring proceedings against the Backstop Collateral Agent for any Backstop Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Backstop Collateral Agent or its assets.
- (v) The limitation in clause 10.6(d)(iii) does not apply in respect of a Backstop Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Backstop Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Backstop Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the Backstop Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Backstop Collateral Agent Claim.

- (vi) This clause 10.6(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Backstop Collateral Agent for:

- (A) all Backstop Collateral Agent Liabilities, Backstop Collateral Agent Losses and Backstop Collateral Agent Demands (as defined in clause 10.6(d)); and

- (B) all personal liability that the Backstop Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.6(e)(i) is without limitation as to time notwithstanding the removal of the Backstop Collateral Agent as collateral agent under the Backstop Finance Documents and the appointment of a replacement collateral agent, the resignation of the Backstop Collateral Agent or the termination of this document, the Backstop Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.6(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Backstop Collateral Agent and shall extend to all actions, suits, proceedings, accounts, Backstop Collateral Agent Liabilities, Backstop Collateral Agent Claims and Backstop Collateral Agent Demands arising in any way out of any defect in the appointment of the Backstop Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Backstop Collateral Agent may have against any other person to be indemnified against the Costs, Backstop Collateral Agent Losses and Backstop Collateral Agent Liabilities incurred by the Backstop Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Backstop Collateral Agent by or in connection with the Backstop Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

10.7 The Incremental Agent

- (a) The Incremental Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Incremental Finance Facility are responsible for their own management functions and decisions relating

to the performance of any duty or function by the Incremental Agent under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the Incremental Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Incremental Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Incremental Finance Documents includes such powers and authorities as are sufficient for the Incremental Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Incremental Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.7(d) only applies to the extent the restriction in the first sentence in this clause 10.7(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Incremental Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Incremental Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Incremental Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Incremental Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Incremental Agent Demands**),whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.7(d)(ii) and subject to clause 10.7(d)(v) and to the extent permitted by law:
 - (A) the liability of the Incremental Agent to any other party in respect of any Incremental Agent Claim is limited to the extent that the Incremental Agent is entitled and able to recover the amount of that liability pursuant to the Incremental Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);

- (B) no further Incremental Agent Claim may be made against the Incremental Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Incremental Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Incremental Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Incremental Agent Claim:
- (A) subject to clause 10.7(d)(v), bring proceedings against the Incremental Agent for any Incremental Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Incremental Agent or its assets.
- (v) The limitation in clause 10.7(d)(iii) does not apply in respect of an Incremental Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Incremental Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Incremental Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Incremental Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Incremental Agent Claim.
- (vi) This clause 10.7(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Incremental Agent for:
 - (A) all Incremental Agent Liabilities, Incremental Agent Losses and Incremental Agent Demands (as defined in clause 10.7(d)); and
 - (B) all personal liability that the Incremental Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.7(e)(i) is without limitation as to time notwithstanding the removal of the Incremental Agent as agent under the Incremental Finance Documents and the appointment of a replacement agent, the resignation of the Incremental Agent or the termination of this document, the Incremental Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.7(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Incremental Agent and shall extend to all actions, suits, proceedings, accounts, Incremental Agent Liabilities, Incremental Agent Claims and Incremental Agent Demands arising in any way out of any defect in the appointment of the Incremental Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the Incremental Agent may have against any other person to be indemnified against the Costs, Incremental Agent Losses and Incremental Agent Liabilities incurred by the Incremental Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Incremental Agent by or in connection with the Incremental Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

10.8 **The Incremental Collateral Agent**

- (a) The Incremental Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to the Incremental Finance Facility are responsible for their own management functions and decisions relating to the performance of any duty or function by the Incremental Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Incremental Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Incremental Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Incremental Finance Documents includes such powers and authorities as are sufficient for the Incremental Collateral Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Incremental Collateral Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.8(d) only applies to the extent the restriction in the first sentence in this clause 10.8(d)(i) is unenforceable or invalid for any reason.

- (ii) The Incremental Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Incremental Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Incremental Collateral Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Incremental Collateral Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Incremental Collateral Agent Demands**),whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
- (iii) Without in any way limiting clause 10.8(d)(ii) and subject to clause 10.8(d)(v) and to the extent permitted by law:
 - (A) the liability of the Incremental Collateral Agent to any other party in respect of any Incremental Collateral Agent Claim is limited to the extent that the Incremental Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Incremental Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Incremental Collateral Agent Claim may be made against the Incremental Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Incremental Collateral Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Incremental Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Incremental Collateral Agent Claim:
 - (A) subject to clause 10.8(d)(v), bring proceedings against the Incremental Collateral Agent for any Incremental Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Incremental Collateral Agent or its assets.
- (v) The limitation in clause 10.8(d)(iii) does not apply in respect of an Incremental Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Incremental Finance Documents; or

- (B) the actual amount recoverable pursuant to the Incremental Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the Incremental Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Incremental Collateral Agent Claim.

- (vi) This clause 10.8(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Incremental Collateral Agent for:

- (A) all Incremental Collateral Agent Liabilities, Incremental Collateral Agent Losses and Incremental Collateral Agent Demands (as defined in clause 10.8(d)); and

- (B) all personal liability that the Incremental Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.8(e)(i) is without limitation as to time notwithstanding the removal of the Incremental Collateral Agent as collateral agent under the Incremental Finance Documents and the appointment of a replacement collateral agent, the resignation of the Incremental Collateral Agent or the termination of this document, the Incremental Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.8(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Incremental Collateral Agent and shall extend to all actions, suits, proceedings, accounts, Incremental Collateral Agent Liabilities, Incremental Collateral Agent Claims and Incremental Collateral Agent Demands arising in any way out of any defect in the appointment of the Incremental Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Incremental Collateral Agent may have against any other person to be indemnified against the Costs, Incremental Collateral Agent Losses and Incremental Collateral Agent Liabilities incurred by the Incremental Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Incremental Collateral Agent by or in connection with the Incremental Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

11. **LIABILITY OF SCHEME ADMINISTRATORS**

11.1 **Liability**

The Scheme Administrators are not, in the performance or exercise of its powers, obligations, functions and duties under this document, personally liable for:

- (a) any Claims or obligations of any kind whatsoever incurred by or on behalf of any party including, without limitation, any monies borrowed and interest thereon and any contracts adopted or otherwise agreed and any Stamp Duty payable on this document and any tax liable to be remitted or otherwise paid (**Liabilities**);
- (b) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Losses**); or
- (c) any actions, suits, proceedings, accounts, Claims or demands arising out of this document which may be commenced, incurred by or made by any person and all Costs incurred in respect thereof (**Demands**),

whether before, during or after the Execution Effective Date, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

11.2 **Indemnity**

- (a) The Scheme Companies shall indemnify each Scheme Administrator for:
 - (i) all Liabilities, Losses and Demands (as defined in clause 11.1); and
 - (ii) all personal liability that a Scheme Administrator may incur in respect of his or her role as Scheme Administrator,unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.
- (b) The indemnity under clause 11.2(a) takes effect on and from the Execution Effective Date and is without limitation as to time notwithstanding the removal of a Scheme Administrator and the appointment of a replacement Scheme Administrator, the resignation of a Scheme Administrator or the termination of this document for any reason whatsoever.
- (c) The indemnity under clause 11.2(a) shall not:
 - (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of a Scheme Administrator and shall extend to all actions, suits, proceedings, accounts, Liabilities, Claims and Demands arising in any way out of any defect in the appointment of a Scheme Administrator, the approval and implementation of this document or otherwise; or
 - (ii) affect or prejudice all or any rights that a Scheme Administrator may have against any other person to be indemnified against the Costs, Losses and Liabilities incurred by a Scheme Administrator in, or incidental to the exercise or performance of any of the powers or authorities conferred on a Scheme Administrator by or in connection with this document.
- (d) This indemnity survives completion or termination of this document.

12. **TERMINATION**

12.1 **Complete implementation**

This document will terminate following the completion of each of the Implementation Steps.

12.2 **Sunset date**

If the Creditors' Schemes Restructuring Effective Time has not occurred by 11.59 pm on the Sunset Date, then with effect from that time, this document will not be capable of implementation and this document will lapse, terminate and be of no further force or effect.

12.3 **Obligations on termination**

- (a) If this document is terminated, all obligations of the parties under this document, other than clauses 6.1(c)(ii), 10.1(d) (*Limitation of liability*), 10.1(e) (*Indemnity*), 10.2(d) (*Limitation of liability*), 10.2(e) (*Indemnity*), 10.3(d) (*Limitation of liability*), 10.3(e) (*Indemnity*), 10.4(d) (*Limitation of liability*), 10.4(e) (*Indemnity*), 10.5(d) (*Limitation of liability*), 10.5(e) (*Indemnity*), 10.6(d) (*Limitation of liability*), 10.6(e) (*Indemnity*), 10.7(d) (*Limitation of liability*), 10.7(e) (*Indemnity*), 10.8(d) (*Limitation of liability*), 10.8(e) (*Indemnity*), 11 (*Liability of Scheme Administrators*), 14 (*Representations and warranties*), 15 (*GST*), 16 (*Notices*), 17 (*General*), immediately cease to be of further effect.
- (b) The termination of this document does not affect any Claim that a party may have against another party where that Claim arose before this document is terminated.

13. **VARIATIONS BY THE COURT**

Each party shall be bound by any alterations or conditions to this document required by the Court under section 411(6) of the Corporations Act, provided the alterations or conditions do not change the substance of this document in any material respect or impose unduly onerous obligations on any of the parties, acting reasonably.

14. **REPRESENTATIONS AND WARRANTIES**

14.1 **Mutual representations and warranties**

Each party represents and warrants to each other party that:

- (a) **(status)** it is a validly existing corporation under the laws of its place of incorporation;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions that this document contemplates in accordance with its terms; and
- (d) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms.

14.2 **Reliance on representations and warranties**

Each party acknowledges that each other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clause 14.1.

14.3 **When warranties are given**

Each representation and warranty given or made under clause 14.1 is given:

- (a) as at the date of this document; and
- (b) at any other date at which the representation or warranty is expressed to be given under this document.

15. **GST**

15.1 **GST pass on**

If GST is or will be payable on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount for GST on the supply:

- (a) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and
- (b) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.

15.2 **Tax Invoice**

The right of the supplier to recover any amount in respect of GST under this document on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient.

15.3 **Consideration exclusive of GST**

Any consideration otherwise provided for a supply or payment obligation in connection with this document is exclusive of GST unless stated otherwise.

15.4 **Adjustments**

If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier within 14 days of becoming aware of the adjustment event:

- (a) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
- (b) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply to the extent that the supplier is entitled to a refund or credit from the Commissioner of Taxation.

15.5 Reimbursements

Costs actually or estimated to be incurred or revenue actually or estimated to be earned or lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and in relation to revenue must exclude any amount in respect of GST referable to the revenue.

16. NOTICES

16.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it (which includes typing the person's name in an email);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) sent by pre-paid mail (by airmail, if the addressee is overseas) or delivered to that person's address;
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full without error; or
 - (iii) sent in electronic form (such as email).

16.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is sent by fax or delivered, if received:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day;
- (b) if it is sent by mail:
 - (i) within Australia - three Business Days after posting; or
 - (ii) to or from a place outside Australia - seven Business Days after posting; and
- (c) if it is sent in electronic form - when the sender receives confirmation on its server that the message has been transmitted:
 - (i) if it is transmitted by 5.00 pm (Sydney time) on a Business Day - on that Business Day; or
 - (ii) if it is transmitted after 5.00 pm (Sydney time) on a Business Day, or on a day that is not a Business Day - on the next Business Day.

16.3 **Address for notices**

A person's mail and email address are those set out below, or as the person notifies the sender:

BLY / Scheme Companies

As set out in the table in the column "Notice details" in schedule 1.

Secured Scheme Creditors

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Unsecured Scheme Creditors

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Scheme Administrators

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890

Email Address: JFeil@WilmingtonTrust.com

Phone: +1-302-636-6466

Fax: +1-302-636-4145

Attention: Joseph B. Feil

TLB Collateral Agent

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003

Email Address: mary.ambrizreyes@usbank.com

Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402

Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com

Attention: Michael B. Fisco and Peter Kieselbach

SSN Trustee

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003

Email Address: mary.ambrizreyes@usbank.com

Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402
Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com
Attention: Michael B. Fisco and Peter Kieselbach

SUN Trustee

Address: Delaware Trust Company
251 Little Falls Drive
Wilmington, Delaware 19808
Email Address: trust@delawaretrust.com
Attention: Trust Administration

With a copy to:

Address: Golenbock Eiseman Assor Bell & Peskoe LLP
711 Third Avenue, 17th Floor
New York, New York 10017
Email Address: jflaxer@golenbock.com
Attention: Jonathan L. Flaxer

New BLY Parent

Address: 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in
the State of South Australia
Email Address: nora.pincus@boartlongyear.com
Attention: Nora Pincus

With a copy to:

Address: c/o Ashurst
Level 11, 5 Martin Place, Sydney, NSW 2000
Email Address: James.Marshall@ashurst.com and Alinta.Kemeny@ashurst.com
Attention: James Marshall and Alinta Kemeny

Incremental Financiers

As set out in the table in the column "Notice details" in schedule 1.

Incremental Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

Incremental Collateral Agent

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003
Email Address: mary.ambrizreyes@usbank.com
Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402
Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com
Attention: Michael B. Fisco and Peter Kieselbach

Existing Backstop ABL Financiers

As set out in the in the column "Notice details" in table in Schedule 1.

Backstop Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

Backstop Collateral Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

17. **GENERAL**

17.1 **Giving effect to this document**

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

17.2 **Governing Law**

- (a) This document is governed by the laws of the State of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

17.3 **Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

17.4 **No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

17.5 **Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), unless this document expressly contemplates otherwise, the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions.

17.6 **Counterparts**

This document may be executed in counterparts. Delivery of a counterpart of this document by email attachment constitutes an effective mode of delivery.

SCHEDULE 1

1. Parties

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
Scheme Companies			
Boart Longyear Limited	ACN 123 052 728	Address: 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia Email: nora.pincus@boartlongyear.com With a copy to: c/o Ashurst Level 11, 5 Martin Place, Sydney, NSW 2000 Email Address: James.Marshall@ashurst.com Alinta.Kemeny@ashurst.com Attention: James Marshall and Alinta Kemeny	BLY
Boart Longyear Management Pty Limited	ACN 123 283 545		BLY Issuer
Boart Longyear Australia Pty Ltd	ACN 000 401 025		BLA
Boart Longyear Investments Pty Limited	ACN 124 070 373		BLI
Votraint No. 1609 Pty Limited	ACN 119 244 272		Votraint
BL Capital Management LLC	ARBN 649 445 321		BCM
BLY US Holdings Inc.	ARBN 649 445 394		BLY US
Incremental Financiers			
Corre Opportunities Qualified Master Fund, LP		c/o Corre Partners Management, LLC Email: john@correpartners.com and skapadia@correpartners.com Attention: John Barrett and Saurabh Kapadia 12 E. 49th St., 40th Fl. New York, NY 10017 United States - with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Email: arosenberg@paulweiss.com, emccolm@paulweiss.com,	
Corre Horizon Fund, LP			

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Willkie Farr & Gallagher LLP</p> <p>787 Seventh Avenue New York, NY 10019</p> <p>Attention: Brian Lennon</p> <p>Facsimile: 212-728-9295 Email: blennon@willkie.com</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to –</p> <p>Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au</p>	
<p>First Pacific Advisors, LP, (as investment advisor of Motion Picture Industry Health Plan (Active), Motion Picture Industry Health Plan (Retiree), Motion Picture Industry Individual Account Plan, The Health Plan of West Virginia, Inc., The Nature Conservancy)</p>		<p>c/o First Pacific Advisors, LP Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com Attention: Eric Brown, Abhi Patwardhan and Joe Choi 11601 Wilshire Boulevard, Suite 1200 Los Angeles, California 90025 United States</p> <p>- with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang 1285 Avenue of the Americas New York, NY 10019 United States</p>	
<p>FPA New Income, Inc.</p>		<p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin Email: DEmmett@gtlaw.com.au Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney Email: David.Clee@CliffordChance.com Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 Attention: Brian Lennon Facsimile: 212-728-9295 Email: blennon@willkie.com</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au</p>	
Nut Tree Capital Management LP, (as investment advisor of Nut Tree Master Fund, LP)		<p>c/o Nut Tree Capital Management Email: ssilver@nuttreecapital.com Attention: Scott Silver 55 Hudson Yards, 22 FL New York, NY 10001 United States</p> <p>- with a copy, which shall not constitute notice, to –</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Willkie Farr & Gallagher LLP</p> <p>787 Seventh Avenue New York, NY 10019 Attention: Brian Lennon</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		Facsimile: 212-728-9295 Email: blennon@willkie.com - with a copy, which shall not constitute notice, to - Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au	
Existing Backstop ABL Financiers			
CCP II Acquisition Holdings, LLC		375 Park Ave, 11th Floor New York, New York 10152	
Centerbridge Credit Partners Master AIV III, LP		United States Attention: The Office of the General Counsel	
Centerbridge Special Credit Partners Master II AIV III, L.P.		Email: legalnotices@centerbridge.com and c/o Centerbridge Partners, L.P. Email: ctchilin@centerbridge.com Attention: Conor Tochilin - with a copy, which shall not constitute notice, to - Kirkland & Ellis LLP Email: asathy@kirkland.com and john.luze@kirkland.com Attention: Anup Sathy, P.C., and John R. Luze 300 North LaSalle Chicago, Illinois 60654 United States - with a copy, which shall not constitute notice, to - MinterEllison	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Email: ron.forster@minterellison.com and michael.hughes@minterellison.com</p> <p>Attention: Ron Forster and Michael Hughes</p> <p>Governor Macquarie Tower</p> <p>1 Farrer Place Sydney NSW 2000</p> <p>Australia</p>	
Corre Horizon Fund, LP		<p>c/o Corre Partners Management, LLC</p> <p>Email: john@correpartners.com and skapadia@correpartners.com</p>	
Corre Opportunities Qualified Master Fund, LP		<p>Attention: John Barrett and Saurabh Kapadia</p> <p>12 E. 49th St., 40th Fl.</p> <p>New York, NY 10017</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	
FPA New Income, Inc.		<p>c/o First Pacific Advisors, LP</p> <p>Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com</p>	
Motion Picture Industry Health Plan (Active)		<p>Attention: Eric Brown, Abhi Patwardhan and Joe Choi</p>	
Motion Picture Industry Health Plan (Retiree)		<p>11601 Wilshire Boulevard, Suite 1200</p> <p>Los Angeles, California 90025</p> <p>United States</p>	
Motion Picture Industry Individual Account Plan		<p>- with a copy, which shall not constitute notice, to –</p>	
The Nature Conservancy		<p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p>	
SAG-AFTRA Health Plan (FKA Screen Actors Guild – Producers Health Plan)		<p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p>	
The Health Plan (FKA The Health Plan of Upper Ohio Valley, Inc)		<p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	

2. CBP and AHG

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
CBP			
CCP II Acquisition Holdings, LLC.		375 Park Ave, 11th Floor New York, New York 10152	CBP
Centerbridge Credit Partners Master AIV III, L.P.		United States Attention: The Office of the General Counsel	
Centerbridge Credit Partners Master, L.P.		Email: legalnotices@centerbridge.com and	
Centerbridge Special Credit Partners Master II AIV III, L.P.		c/o Centerbridge Partners, L.P. Email: ctchilin@centerbridge.com Attention: Conor Tochilin	
Centerbridge Special Credit Partners II, L.P.		- with a copy, which shall not constitute notice, to – Kirkland & Ellis LLP	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Email: asathy@kirkland.com and john.luze@kirkland.com</p> <p>Attention: Anup Sathy, P.C., and John R. Luze</p> <p>300 North LaSalle</p> <p>Chicago, Illinois 60654</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>MinterEllison</p> <p>Email: ron.forster@minterellison.com and michael.hughes@minterellison.com</p> <p>Attention: Ron Forster and Michael Hughes</p> <p>Governor Macquarie Tower</p> <p>1 Farrer Place Sydney NSW 2000</p> <p>Australia</p>	
AHG			
Ascribe II Investments LLC		<p>c/o Ascribe Capital</p> <p>Attention: Lawrence First and Eric Schondorf</p> <p>590 Madison Avenue, 38th Floor</p> <p>New York, New York 10022</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p>	Ascribe

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to – Gilbert + Tobin Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to – Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
Corre Opportunities Qualified Master Fund, LP		c/o Corre Partners Management, LLC Attention: John Barrett and Saurabh Kapadia	Corre
Corre Horizon Fund, LP		12 E. 49th St., 40th Fl. New York, NY 10017 United States	
Corre Horizon II Fund, LP		<p>- with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang 1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to – Gilbert + Tobin</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to - Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
FPA New Income, Inc.		c/o First Pacific Advisors, LP Attention: Eric Brown, Abhi Patwardhan and Joe Choi	FPA
Motion Picture Industry Health Plan (Active)		11601 Wilshire Boulevard, Suite 1200	
Motion Picture Industry Health Plan (Retiree)		Los Angeles, California 90025 United States Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com	
Motion Picture Industry Individual Account Plan		- with a copy, which shall not constitute notice, to -	
SAG-AFTRA Health Plan		Paul, Weiss, Rifkind, Wharton & Garrison LLP	
The Health Plan of West Virginia, Inc.		Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang	
The Nature Conservancy		1285 Avenue of the Americas New York, NY 10019 United States - with a copy, which shall not constitute notice, to - Gilbert + Tobin Attention: Dominic Emmett	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	
Nut Tree Master Fund, LP		<p>c/o Nut Tree Capital Management</p> <p>Attention: Scott Silver</p> <p>55 Hudson Yards, 22 FL</p> <p>New York, NY 10001</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p>	Nut Tree

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to – Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
ARES Institutional High Yield Master Fund LP		c/o Ares Management LLC Attention: Russell Almeida and Joanne Hanson Bonney	Ares
Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust		800 Corporate Point Suite 300 Los Angeles, CA 90230 United States	
Kaiser Foundation Hospitals		- with a copy, which shall not constitute notice, to –	
Lucent Technologies Inc. Master Pension Trust		Paul, Weiss, Rifkind, Wharton & Garrison LLP Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang	
Seattle City Employees' Retirement System		1285 Avenue of the Americas New York, NY 10019	
SEI Global Master Fund PLC		United States	
SEI Institutional Investment Trust - High Yield Bond Fund		- with a copy, which shall not constitute notice, to – Gilbert + Tobin	
SEI Institutional Managed Trust - High Yield Bond Fund		Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000	
SEI Investments Canada Company – U.S. High Yield Bond Fund		Australia	
Superannuation Funds Management		- with a copy, which shall not constitute notice, to –	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
Corporation of South Australia		Clifford Chance, Sydney Attention: David Clee	
Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund		Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia	

SCHEDULE 2

Restructuring Documents

	Document
1.	Restructuring Implementation Deed
2.	Secured Creditors' Scheme
3.	Unsecured Creditors' Scheme
4.	Members' Scheme
5.	Share Purchase Plan
6.	Selective Buy-Back
7.	Exit Financing Documents
8.	Assumption Deed Poll
9.	New Warrants
10.	CBP Director Nomination Agreement
11.	AHG Director Nomination Agreements

EXECUTED as a deed

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Scheme Companies

**EXECUTED by BOART LONGYEAR
LIMITED ACN 123 052 728:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BOART LONGYEAR
MANAGEMENT PTY LIMITED ACN 123
283 545:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BOART LONGYEAR
AUSTRALIA PTY LTD ACN 000 401
025:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BOART LONGYEAR
INVESTMENTS PTY LIMITED ACN 124
070 373:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by VOTRAINT NO. 1609
PTY LIMITED ACN 119 244 272:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BL CAPITAL
MANAGEMENT LLC ARBN 649 445
321:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BLY US HOLDINGS INC.
ARBN 649 445 394:**

Signature of director

Signature of director/secretary

Name

Name

Secured Scheme Creditors

SIGNED, SEALED and DELIVERED by A SECURED SCHEME ADMINISTRATOR FOR AND ON BEHALF OF THE SECURED SCHEME CREDITORS in the presence of:

Signature of attorney

Signature of witness

Name

Name

Address of witness

Unsecured Scheme Creditors

SIGNED, SEALED and DELIVERED by AN UNSECURED SCHEME ADMINISTRATOR FOR AND ON BEHALF OF THE UNSECURED SCHEME CREDITORS in the presence of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

Address of witness

Scheme Administrators

SIGNED, SEALED and DELIVERED by
CHRISTOPHER CLARKE HILL in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SIGNED, SEALED and DELIVERED by
DAVID PETER MCGRATH in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan A and the Term Loan
B in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SSN Trustee

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as trustee and collateral
agent under the SSN Indenture in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

TLB Collateral Agent

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as collateral agent for the
TLB Purchasers in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SUN Trustee

SIGNED, SEALED AND DELIVERED by
DELAWARE TRUST COMPANY in its
capacity as trustee under the SUN
Indenture in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

New BLY Parent

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR LTD. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Financiers

SIGNED, SEALED AND DELIVERED by
**CORRE OPPORTUNITIES QUALIFIED
MASTER FUND, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
CORRE HORIZON FUND, LP in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**FIRST PACIFIC ADVISORS, LP, (AS
INVESTMENT ADVISOR OF MOTION
PICTURE INDUSTRY HEALTH PLAN
(ACTIVE), MOTION PICTURE
INDUSTRY HEALTH PLAN (RETIREE),
MOTION PICTURE INDUSTRY
INDIVIDUAL ACCOUNT PLAN, THE
HEALTH PLAN OF WEST VIRGINIA,
INC., THE NATURE CONSERVANCY)** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
FPA NEW INCOME, INC. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
NUT TREE CAPITAL MANAGEMENT LP
in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Collateral Agent

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as collateral agent under
the Incremental Finance Facility in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as agent
under the Incremental Finance Facility in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Existing Backstop ABL Financiers

SIGNED, SEALED AND DELIVERED by
CCP II ACQUISITION HOLDINGS, LLC
in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CENTERBRIDGE CREDIT PARTNERS
MASTER AIV III, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CENTERBRIDGE SPECIAL CREDIT
PARTNERS MASTER II AIV III, L.P.** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
CORRE HORIZON FUND, LP in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CORRE OPPORTUNITIES QUALIFIED
MASTER FUND, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
FPA NEW INCOME, INC. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**MOTION PICTURE INDUSTRY HEALTH
PLAN (ACTIVE)** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**MOTION PICTURE INDUSTRY HEALTH
PLAN (RETIREE)** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
MOTION PICTURE INDUSTRY
INDIVIDUAL ACCOUNT PLAN in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
THE NATURE CONSERVANCY in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
SAG-AFTRA HEALTH PLAN (FKA
SCREEN ACTORS GUILD –
PRODUCERS HEALTH PLAN) in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**THE HEALTH PLAN (FKA THE HEALTH
PLAN OF UPPER OHIO VALLEY, INC)** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Backstop Collateral Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
collateral agent under the Existing
Backstop ABL in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Backstop Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as agent
under the Existing Backstop ABL in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 3

Secured Scheme Administrators Deed Poll



Secured Scheme Administrators Deed Poll

The Secured Scheme Administrators

2021

THIS DEED POLL is made on

2021

MADE BY:

- (1) **Christopher Clarke Hill** and **David Peter McGrath** of FTI Consulting, (the **Secured Scheme Administrators**)

IN FAVOUR OF:

- (2) each Secured Scheme Creditor;
(3) the Agent;
(4) the TLB Collateral Agent;
(5) the SSN Trustee;
(6) each Released Individual; and
(7) each Obligor,
(each, a **Recipient**).

THE SECURED SCHEME ADMINISTRATORS DECLARE:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Secured Scheme Creditors substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Secured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Scheme Administrator in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Joint and several obligations**

This deed poll binds each Scheme Administrator jointly and severally.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **CONDITIONS TO OBLIGATIONS**

The obligations of the Secured Scheme Administrators under this deed poll are subject to the Secured Creditors' Scheme becoming Effective.

3. **CONSENT TO ACT**

Each Scheme Administrator:

- (a) consents to act as a scheme administrator in accordance with the terms and conditions of the Secured Creditors' Scheme;
- (b) acknowledges that another person may be appointed to act as scheme administrator under the Secured Creditors' Scheme;
- (c) represents and warrants that he or she is not disqualified from acting as a scheme administrator of the Secured Creditors' Scheme pursuant to section 411(7) of the Corporations Act; and
- (d) undertakes to notify the Scheme Companies, the Agent, the TLB Collateral Agent and the SSN Trustee immediately if the representation and warranty in clause 3(c) ceases to be correct.

4. **OBLIGATIONS IN RELATION TO SCHEME**

With effect on and from the Scheme Effective Date, each Scheme Administrator irrevocably:

- (a) consents to the Secured Creditors' Scheme;
- (b) agrees to be bound by the Secured Creditors' Scheme as if he or she were a party to the Secured Creditors' Scheme; and
- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and to undertake all actions attributed to him or her under the Secured Creditors' Scheme;
 - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to him or her under the Secured Creditors' Scheme;
 - (iii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and the transactions contemplated by it; and
 - (iv) not to act inconsistently with any provision of the Secured Creditors' Scheme.

5. **LIMITATION OF LIABILITY**

In the performance or exercise of the Secured Scheme Administrators' powers, obligations and duties under the Secured Creditors' Scheme, the Secured Scheme Administrators' liability is limited in accordance with the Secured Creditors' Scheme.

6. GENERAL

6.1 Notices

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

6.2 Governing law and jurisdiction

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

6.3 Continuing obligations

This deed poll is irrevocable.

6.4 Waiver

The Secured Scheme Administrators may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

6.5 Inconsistency

The terms of the Secured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

6.6 Variation

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Secured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Secured Scheme Creditors; and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Secured Creditors' Scheme.
- (b) Where the conditions set out in clause 6.6(a) are satisfied in relation to a variation, the Secured Scheme Administrators will enter into a further deed poll in favour of each Recipient giving effect to the variation.

6.7 Cumulative Rights

Except as expressly provided in this deed poll, the rights of the Unsecured Scheme Administrators and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

6.8 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.

(b) Any purported dealing in contravention of clause 6.8(a) is void.

SCHEDULE 1

Secured Creditors' Scheme

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SIGNED, SEALED and DELIVERED by
CHRISTOPHER CLARKE HILL in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SIGNED, SEALED and DELIVERED by
DAVID PETER MCGRATH in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SCHEDULE 4

Secured Creditors' Scheme Deed Poll



Secured Creditors' Scheme Deed Poll

The Secured Scheme Creditors

2021

Made by:

- (1) Each **Secured Scheme Creditor** as that term is defined in the Secured Creditors' Scheme.

In favour of:

- (2) Each other Secured Scheme Creditor, the Scheme Companies, the Secured Scheme Administrators, the Agent, the SSN Trustee, the TLB Collateral Agent, each Obligor and each Released Individual (each a **Recipient**).

EACH SECURED SCHEME CREDITOR DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Secured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Secured Scheme Creditor in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Secured Scheme Creditor severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **RELEASES AND WAIVERS**

- (a) Each Secured Scheme Creditor:
 - (i) gives each release, waiver and indemnity which is to be given by it under the Secured Creditors' Scheme:

- (A) at the time that release, waiver or indemnity is to be given under Step 2 of clause 8(b) of the RID; and
 - (B) in favour of the Recipient to whom the release, waiver or indemnity is to be given under the Secured Creditors' Scheme; and
- (ii) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases, waivers and indemnities given in its favour under the Secured Creditors' Scheme and this deed poll.

3. **CONSENTS AND INSTRUCTIONS**

Each Secured Scheme Creditor gives each consent and instruction which is required to be given by it for the purposes of the Secured Creditors' Scheme in accordance with the Secured Creditors' Scheme.

4. **GENERAL**

4.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

4.3 **Continuing obligations**

This deed poll is irrevocable.

4.4 **Waiver**

Each Secured Scheme Creditor may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

4.5 **Inconsistency**

The terms of the Secured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

4.6 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Secured Scheme Creditor and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

4.7 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.7(a) is void.

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SIGNED, SEALED and **DELIVERED** by
[•] as attorney and agent for each
Secured Scheme Creditor in the presence
of:

Signature of attorney

Signature of witness

Name

Name

Address of witness

SCHEDULE 1

Secured Creditors' Scheme

SCHEDULE 5
Agent Deed Poll



Agent Deed Poll

The Agent

2021

THIS DEED POLL is made on 2021

Made by:

- (1) Wilmington Trust, National Association in its capacity as administrative agent and collateral agent under the Term Loan A; and
 - (2) Wilmington Trust, National Association in its capacity as administrative agent and collateral agent under the Term Loan B,
- (together, the **Agent**)

In favour of:

- (1) each Secured Scheme Creditor;
 - (2) each Unsecured Scheme Creditor;
 - (3) the Secured Scheme Administrators;
 - (4) the Unsecured Scheme Administrators;
 - (5) the TLB Collateral Agent;
 - (6) the SSN Trustee;
 - (7) the SUN Trustee;
 - (8) each Obligor; and
 - (9) each Released Individual,
- (each a **Recipient**)

THE AGENT DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the Agent in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of Agent**

Any reference to the Agent in this deed poll is to be read as a reference to the Agent in its capacity as administrative agent and collateral agent under the Term Loan A and Term Loan B respectively and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The Agent, in accordance with the instructions given to it by the TLA Purchasers, TLB Purchasers and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the Agent under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the Agent doing any act, matter or thing after it has ceased to be the "Agent" under the Term Loan A or Term Loan B.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 **Continuing obligations**

This deed poll is irrevocable.

3.4 **Waiver**

The Agent may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 **Inconsistency**

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 **Cumulative Rights**

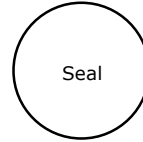
Except as expressly provided in this deed poll, the rights of the Agent and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan A, in the presence
of:



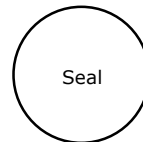
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan B, in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 6

TLB Collateral Agent Deed Poll



TLB Collateral Agent Deed Poll

The TLB Collateral Agent

2021

THIS DEED POLL is made on 2021

Made by:

- (1) U.S. Bank National Association in its capacity as collateral agent for the TLB Purchasers (the **TLB Collateral Agent**)

In favour of:

- (1) each Secured Scheme Creditor;
- (2) each Unsecured Scheme Creditor;
- (3) the Secured Scheme Administrators;
- (4) the Unsecured Scheme Administrators;
- (5) the Agent;
- (6) the SSN Trustee;
- (7) the SUN Trustee;
- (8) each Obligor; and
- (9) each Released Individual,
(each a **Recipient**)

THE TLB COLLATERAL AGENT DECLARES:

1. **INTERPRETATION**

1.1 Definitions

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the SSN Trustee in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of the TLB Collateral Agent**

Any reference to the TLB Collateral Agent in this deed poll is to be read as a reference to the TLB Collateral Agent in its capacity as the TLB Collateral Agent under the Creditor's Schemes Finance Documents and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The TLB Collateral Agent, in accordance with the instructions given to it by the TLB Purchasers and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the TLB Collateral Agent under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the TLB Collateral Agent doing any act, matter or thing after it has ceased to be the "TLB Collateral Agent" under the Creditors' Schemes Finance Documents.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 Continuing obligations

This deed poll is irrevocable.

3.4 Waiver

The TLB Collateral Agent may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 Inconsistency

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 Cumulative Rights

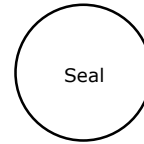
Except as expressly provided in this deed poll, the rights of the TLB Collateral Agent and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity collateral agent for the TLB
Purchasers, in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 7

SSN Trustee Deed Poll



SSN Trustee Deed Poll

The SSN Trustee

2021

THIS DEED POLL is made on 2021

Made by:

- (1) U.S. Bank National Association in its capacity as trustee and collateral agent under the SSN Indenture (the **SSN Trustee**)

In favour of:

- (1) each Secured Scheme Creditor;
- (2) each Unsecured Scheme Creditor;
- (3) the Secured Scheme Administrators;
- (4) the Unsecured Scheme Administrators;
- (5) the Agent;
- (6) the TLB Collateral Agent;
- (7) the SUN Trustee;
- (8) each Obligor; and
- (9) each Released Individual,
(each a **Recipient**)

THE SSN TRUSTEE DECLARES:

1. **INTERPRETATION**

1.1 Definitions

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the SSN Trustee in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of the SSN Trustee**

Any reference to the SSN Trustee in this deed poll is to be read as a reference to the SSN Trustee in its capacity as the SSN Trustee under the Creditor's Schemes Finance Documents and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The SSN Trustee, in accordance with the instructions given to it by the SSN Noteholders and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the SSN Trustee under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the SSN Trustee doing any act, matter or thing after it has ceased to be the "SSN Trustee" under the Creditors' Schemes Finance Documents.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 Continuing obligations

This deed poll is irrevocable.

3.4 Waiver

The SSN Trustee may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 Inconsistency

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 Cumulative Rights

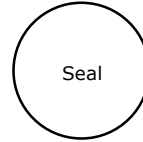
Except as expressly provided in this deed poll, the rights of the SSN Trustee and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as trustee and collateral
agent under the SSN Indenture, in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 8

Released Individuals Deed Poll



Released Individuals Deed Poll

Released Individuals

2021

THIS DEED POLL is made on

2021

Made by:

- (1) **Released Individuals listed in Schedule 1** (each a **Released Individual**)

In favour of:

- (1) each Secured Scheme Creditor, the Agent, the SSN Trustee, the TLB Collateral Agent, each Obligor and the Secured Scheme Administrators (each a **Recipient**).

THE RELEASED INDIVIDUAL DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors substantially in the form set out in Schedule 2 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Secured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Released Individual in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Released Individual severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59pm on the Sunset Date this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME**

Each Released Individual irrevocably:

- (a) consents to the Secured Creditors' Scheme;
- (b) agrees to be bound by the Secured Creditors' Scheme as if it were a party to the Secured Creditors' Scheme; and

- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and undertake all actions attributed to the Released Individual under the Secured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to its obligations under the Secured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme.

3. **RELEASES**

- (a) Without limiting clause 2 above, each Released Individual:
 - (i) gives each release which is to be given by it under clause 10 (*Releases*) of the Secured Creditors' Scheme:
 - (A) at the time that release is to be given under Step 2 of clause 8(b) of the RID; and
 - (B) in favour of each Recipient to whom the release is to be given under the Secured Creditors' Scheme; and
 - (ii) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases given in its favour under the Secured Creditors' Scheme and this deed poll.

4. **GENERAL**

4.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis and the Released Individuals adopt the address for notices of BLY.

4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

4.3 **Continuing obligations**

This deed poll is irrevocable.

4.4 **Waiver**

The Released Individual may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

4.5 **Inconsistency**

The terms of the Secured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

4.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Secured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Secured Creditors' Scheme (by value); and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Secured Creditors' Scheme.
- (b) Where the conditions set out in clause 4.6(a) are satisfied in relation to a variation, the Released Individual will enter into a further deed poll in favour of each Recipient giving effect to the variation.

4.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Released Individual and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

4.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.8(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED and DELIVERED by
[RELEASED INDIVIDUAL] in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SCHEDULE 1
Released Individuals

1.	[name]
2.	
3.	
4.	
5.	
6.	

SCHEDULE 2

Secured Creditors' Scheme

SCHEDULE 9
Obligors Deed Poll



Obligors Deed Poll

The Obligors listed in Schedule 1 to this deed poll

2021

THIS DEED POLL is made on

2021

Made by:

- (1) Each Obligor listed in Schedule 1 to this deed poll (together, the **Obligors**).

In favour of:

- (1) Each Secured Scheme Creditor, the Secured Scheme Administrators, the Agent, the SSN Trustee, the TLB Collateral Agent, each other Obligor and each Released Individual (each a **Recipient**).

EACH OBLIGOR DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Secured Scheme Creditors substantially in the form set out in Schedule 2 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Secured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Obligor in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Obligor severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **CONDITIONS TO OBLIGATIONS**

The obligations of each Obligor under this deed poll are subject to the Secured Creditors' Scheme becoming Effective.

3. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME**

With effect on and from the Scheme Effective Date, each Obligor irrevocably:

- (a) consents to the Secured Creditors' Scheme;
- (b) agrees to be bound by the Secured Creditors' Scheme as if it were a party to the Secured Creditors' Scheme; and
- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and to undertake all actions attributed to it under the Secured Creditors' Scheme including, without limitation, to give the directions and make the appointments attributed to it under the Secured Creditors' Scheme;
 - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to it under the Secured Creditor's Scheme;
 - (iii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and the transactions contemplated by it; and
 - (iv) not to act inconsistently with any provision of the Secured Creditors' Scheme.

4. **RELEASES AND WAIVERS**

Each Obligor:

- (a) gives each release, waiver and indemnity which is to be given by it under the Secured Creditor's Scheme:
 - (i) at the time that release, waiver or indemnity is to be given under Step 2 of clause 8(b) of the RID; and
 - (ii) in favour of the Recipient to whom the release, waiver or indemnity is to be given under the Secured Creditors' Scheme; and
- (b) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases, waivers and indemnities given in its favour under the Secured Creditors' Scheme and this deed poll.

5. **GENERAL**

5.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis and the Obligors adopt the address for notices of BLY.

5.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

5.3 **Continuing obligations**

This deed poll is irrevocable.

5.4 **Waiver**

The Obligors may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

5.5 **Inconsistency**

The terms of the Secured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

5.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Secured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Secured Scheme Creditors (by value); and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Secured Creditors' Scheme.
- (b) Where the conditions set out in clause 5.6(a) are satisfied in relation to a variation, the Obligors will enter into a further deed poll in favour of each Recipient giving effect to the variation.

5.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of the Obligors and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

5.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 5.8(a) is void.

5.9 **Counterparts**

This deed poll may be executed in counterparts. Delivery of a counterpart of this deed poll by email attachment or fax constitutes an effective mode of delivery.

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by BOART LONGYEAR LIMITED ACN 123 052 728:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR MANAGEMENT PTY LIMITED ACN 123 283 545:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR AUSTRALIA PTY LTD ACN 000 401 025:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR INVESTMENTS PTY LIMITED ACN 124 070 373:

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by VOTRAINT NO. 1609
PTY LIMITED ACN 119 244 272:**

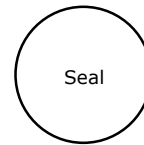
Signature of director

Signature of director/secretary

Name

Name

SIGNED, SEALED AND DELIVERED by
BL CAPITAL MANAGEMENT LLC in the
presence of:



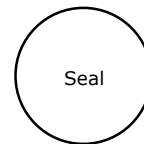
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BLY US HOLDINGS INC. in the presence
of:



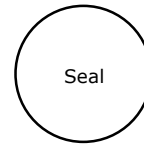
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR CANADA in the
presence of:



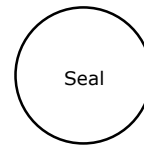
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR CHILE LIMITADA in
the presence of:



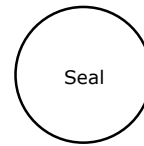
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR COMPANY in the
presence of:



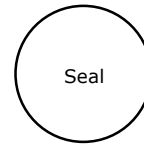
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**BOART LONGYEAR MANUFACTURING
AND DISTRIBUTION INC.** in the
presence of:



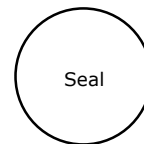
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**BOART LONGYEAR MANUFACTURING
CANADA LTD.** in the presence of:



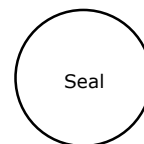
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR S.A.C. in the
presence of:



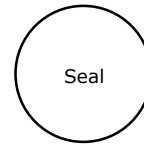
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR SUISSE SARL in the
presence of:



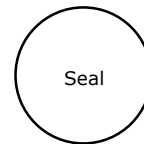
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
LONGYEAR CANADA, ULC in the
presence of:



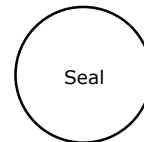
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
LONGYEAR TM,INC. in the presence of:



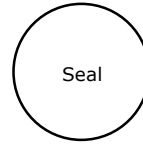
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BLY IP INC. in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 1**Obligors**

Obligors	
1.	Boart Longyear Limited ACN 123 052 728
2.	Boart Longyear Management Pty Limited ACN 123 283 545
3.	Boart Longyear Australia Pty Ltd ACN 000 401 025
4.	Boart Longyear Investments Pty Ltd ACN 124 070 373
5.	BL Capital Management LLC ARBN 649 445 321
6.	BLY US Holdings Inc. ARBN 649 445 394
7.	Boart Longyear Canada
8.	Boart Longyear Chile Limitada
9.	Boart Longyear Company
10.	Boart Longyear Manufacturing and Distribution Inc.
11.	Boart Longyear Manufacturing Canada Ltd.
12.	Boart Longyear S.A.C.
13.	Boart Longyear Suisse Sarl
14.	Longyear Canada, ULC
15.	Longyear TM, Inc.
16.	Votraint No. 1609 Pty Limited ACN 119 244 272
17.	BLY IP Inc.

SCHEDULE 2

Secured Creditors' Scheme

ANNEXURE B

Unsecured Creditors' Scheme of Arrangement



Scheme of Arrangement

Boart Longyear Limited

ACN 123 052 728

and

Boart Longyear Management Pty Limited

ACN 123 283 545

and

Boart Longyear Australia Pty Limited

ACN 000 401 025

and

Boart Longyear Investments Pty Limited

ACN 124 070 373

and

Votraint No. 1609 Pty Limited

ACN 119 244 272

and

BL Capital Management LLC

ARBN 649 445 321

and

BLY US Holdings Inc.

ARBN 649 445 394

and

The Unsecured Scheme Creditors

and

The Subordinate Claim Holders

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BETWEEN:

- (1) **Boart Longyear Limited** ACN 123 052 728 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY**);
 - (2) **Boart Longyear Management Pty Limited** ACN 123 283 545 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY Issuer**);
 - (3) **Boart Longyear Australia Pty Ltd** ACN 000 401 025 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLA**);
 - (4) **Boart Longyear Investments Pty Limited** ACN 124 070 373 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLI**);
 - (5) **Votrait No. 1609 Pty Limited** ACN 119 244 272 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**Votrait**);
 - (6) **BL Capital Management LLC** ARBN 649 445 321 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BCM**);
 - (7) **BLY US Holdings Inc.** ARBN 649 445 394 of 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia (**BLY US**);
- ((1) to (7) together being the **Scheme Companies**),
- (8) the **Unsecured Scheme Creditors**; and
 - (9) the **Subordinate Claim Holders**.

RECITALS:

- (A) This Scheme is proposed in connection with:
 - (1) Claims against the Scheme Companies and other Obligors by the Unsecured Scheme Creditors under the Creditors' Schemes Finance Documents; and
 - (2) any Subordinate Claim of any Subordinate Claim Holder.
- (B) Pursuant to this Scheme and the Secured Creditors' Scheme and as set out in the Explanatory Statement, BLY has also agreed to offer the Creditor Share Purchase Option to SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders in accordance with the terms set out in this Scheme and the Secured Creditors' Scheme.
- (C) This Scheme contemplates the Unsecured Scheme Creditors entering into the Unsecured Creditors' Scheme Deed Poll and the RID.
- (D) This Scheme attributes actions to persons other than the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee, each other Obligor, each Released Individual, and each Unsecured Scheme Administrator.
- (E) Each of the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee have undertaken that, immediately after they have received the instructions referred to in, or contemplated by, clause 7 (*Pre-Implementation Steps*) of the RID, each of the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee will, pursuant to the Agent Deed Poll, the TLB Collateral Agent Deed Poll, the SUN Trustee Deed Poll and the SSN Trustee Deed Poll, respectively, perform all actions attributed to them under this Scheme.

- (F) Each Obligor, pursuant to the Obligors Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if it were a party to this Scheme and undertaken to perform all obligations and actions attributed to it under this Scheme once this Scheme becomes Effective.
- (G) Each Released Individual pursuant to the Released Individuals Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if it were a party to this Scheme and undertaken to perform all obligations and actions attributed to it under this Scheme once this Scheme becomes Effective.
- (H) The Unsecured Scheme Administrators, pursuant to the Unsecured Scheme Administrators Deed Poll, have consented to act as Unsecured Scheme Administrators, consented to this Scheme, agreed to be bound by this Scheme as if they were a party to this Scheme and undertaken to perform all obligations and actions attributed to the Unsecured Scheme Administrators under this Scheme once this Scheme becomes Effective.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Scheme, the following words, expressions and abbreviations have the following meanings, unless the context otherwise requires:

Account Holder means a person recorded directly in the records of Cede & Co. and DTC as holding an interest in the SSN Indenture or SUN Indenture (as applicable) in an account held with DTC.

Administrative Agent means:

- (a) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan A;
- (b) Wilmington Trust, National Association in its capacity as administrative agent under the Term Loan B; and
- (c) any successor administrative agent under the Term Loan A or Term Loan B.

Agent means the Administrative Agent or the Collateral Agent or both of them, as the context requires.

Agent Deed Poll means the deed poll substantially in the form set out in Schedule 5 of this Scheme and to be executed by the Agents as contemplated in clause 4.1(a) of this Scheme and clause 7(c)(i) of the RID.

AHG means each entity listed in the table under the row "AHG" in schedule 1 to the RID, and their permitted transferees and assigns and **AHG Member** means any one of them.

AHG Director Nomination Agreements means each agreement between one or more AHG Members and BLY in relation to the nomination of the AHG Nominee Directors as directors of BLY to be entered into in conjunction with this Scheme.

AHG Nominee Directors means those persons nominated by AHG to be appointed as a director of BLY pursuant to the AHG Director Nomination Agreements.

Allocated Aggregate Debt means the aggregate outstanding amount of:

- (a) 25% of the outstanding amount of the TLA Unsecured RSA Date Debt;

- (b) 25% of the outstanding amount of the TLB Unsecured RSA Date Debt;
 - (c) 25% of the outstanding amount of the SSN Unsecured RSA Date Debt;
 - (d) 22.5% of the outstanding amount of the SUN RSA Date Debt;
 - (e) 100% of the outstanding amount of the TLA Secured RSA Date Debt;
 - (f) 100% of the outstanding amount of the TLB Secured RSA Date Debt; and
 - (g) 100% of the outstanding amount of the SSN Secured RSA Date Debt,
- being an amount of US\$566,842,010.96.

Allocation Confirmation means the confirmation sent to each Participating SUN Noteholder and, if applicable, Other CSPO Participant setting out its allocation of Shares determined by BLY in accordance with the CSPO Allocation Principles to be issued under the Creditor Share Purchase Option provided that the Participating SUN Noteholder or Other CSPO Participant pays its subscription monies by the date required in such confirmation.

Allocations Spreadsheet means the spreadsheet prepared by BLY, and reasonably agreed to by each CBP Member and each AHG Member as soon as reasonably practicable after this Scheme becomes Effective, as the allocations spreadsheet for the purpose of this document and the RID which sets out each party's relevant entitlement to the Transaction Securities issued under the applicable Restructuring Document and distributed in accordance with the Implementation Steps, provided that it is consistent in all material respects with the terms of this Scheme and the Secured Creditors' Scheme.

Applicable Insurance Policy means any available policy of insurance under which BLY is entitled to indemnity in respect of any Subordinate Claim.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement.

Authorised Nominee means Chess Depository Nominees Pty Limited ACN 071 346 506, Australian Financial Licence number 254514, an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

BLY Creditors' Schemes means collectively, this Scheme and the Secured Creditors' Scheme.

BLY Shareholder means a person entered in the register of members of BLY as the holder of a Share.

Book Entry Interest means a beneficial interest in the SSN Indenture or SUN Indenture, as the context requires, held by or through an Account Holder.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales and Adelaide, South Australia.

CBP means each entity listed in the table under the row "CBP" in schedule 1 to the RID and any of their permitted transferees and assigns, and **CBP Member** means any one of them.

CBP Director Nomination Agreement means the agreement between BLY and affiliates of CBP in relation to the nomination of the CBP Nominee Directors as directors of BLY.

CBP Nominee Directors means those persons nominated by affiliates of CBP to be appointed as a director of BLY pursuant to the CBP Director Nomination Agreement.

CDI means a CHESSE Depository Interest, that being a unit of beneficial ownership in a Principal Financial Product (as that term is defined in the ASX Settlement Operating Rules) that is registered in the name of the Authorised Nominee in accordance with the ASX Settlement Operating Rules, for the purpose of enabling the securities to be recorded and transferred in accordance with those operating rules.

Change of Control Event has the meaning given in clause 14.3(c).

Claim means, in relation to a person, any claim, allegation, cause of action, proceeding, debt, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

Collateral Agent means:

- (a) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan A;
- (b) Wilmington Trust, National Association in its capacity as collateral agent under the Term Loan B;
- (c) any successor collateral agent under the Term Loan A or Term Loan B.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs means costs, charges, fees and expenses.

Court means the Supreme Court of New South Wales.

Creditor Share Purchase Option means the option for each TLA Purchaser, TLB Purchaser, SSN Noteholder and SUN Noteholder which is a Secured Scheme Creditor or an Unsecured Scheme Creditor to subscribe for Shares at the CSPO Issue Price with the Shares to be allocated by BLY in accordance with the CSPO Allocation Principles and issued in accordance with clause 12 (*Creditor Share Purchase Option*) of this Scheme and clause 12 (*Creditor Share Purchase Option*) of the Secured Creditors' Scheme, subject to a maximum cap on the amount to be raised by BLY from the issue of the Shares equal to the CSPO Cap Amount.

Creditors' Scheme Implementation Date has the meaning given to that term in the RID.

Creditors' Schemes Finance Document means:

- (a) each of the documents listed in Schedule 1 to this Scheme other than an Incremental Finance Document;
- (b) any document entered into by a Scheme Company under which it has granted a security interest over its property to secure the Secured Money; and
- (c) any other document designated as:
 - (i) a Loan Document under the Term Loan A and Term Loan B; or
 - (ii) a Notes Document under the SSN Indenture.

Creditors' Schemes Restructuring Effective Time means the time at which all of the Implementation Steps in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) to 8(h) (*Step 8 (Confirmation of Scheme Restructuring Effective Time)*) of the RID have been completed.

CSPO Allocation Principles means the principles set out below pursuant to which Shares will be allocated by BLY under the Creditor Share Purchase Option and adjusted as a result of any rounding required by clause 12(b):

- (a) **(Firstly, allocations to Participating SUN Noteholders):** Shares will first be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on the following basis:
- (i) (*Initial pro rata allocation to Participating SUN Noteholders*) the Shares available under the CSPO Cap Amount will initially be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Participating SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Participating SUN Noteholders as at the Voting Entitlement Record Date, provided that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
 - (ii) (*Allocation of undersubscriptions to other Participating SUN Noteholders*) if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the initial pro rata allocation to Participating SUN Noteholders (or their Permitted CSPO Nominee) under paragraph (a)(i) above, the remaining available Shares will be allocated to the Participating SUN Noteholders (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (a)(i) above (**Oversubscribing Participating SUN Noteholders**) on a pro rata basis in the same proportions as the amount of SUN Debt held (or deemed to be held) by each particular Oversubscribing SUN Noteholder as at the Voting Entitlement Record Date represents of the total amount of SUN Debt held (or deemed to be held) by all Oversubscribing Participating SUN Noteholders as at the Voting Entitlement Record Date, provided always that the maximum number of Shares that will be allocated to a Participating SUN Noteholder (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
 - (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (B) each Participating SUN Noteholder (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their SUN Account Holder Letter; and
- (b) **(Secondly, allocations to Other CSPO Participants):** If the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocation of Shares to Participating SUN Noteholders (or their Permitted CSPO Nominees) under paragraph (a) above, then the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on the following basis:

- (i) *(Initial pro rata allocation to Other CSPO Participants)* the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Other CSPO Participant under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Other CSPO Participants under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option), provided that the maximum number of Shares that will be allocated to Other CSPO Participants (or their Permitted CSPO Nominees) pursuant to the Creditor Share Purchase Option will be the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter; and
- (ii) *(Allocation of undersubscriptions to Other CSPO Participants)* if the total number of Shares available under the CSPO Cap Amount are not fully allocated as a result of the allocations under paragraphs (a) and (b)(i) above, the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) whose Maximum Committed Securities exceeded their respective initial pro rata allocation under paragraph (b)(i) above (**Oversubscribing Other CSPO Participants**) on a pro rata basis in the same proportions as the number of the Shares allocated to each particular Oversubscribing Other CSPO Participant under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all Oversubscribing Other CSPO Participants under the BLY Creditors' Schemes (not including Shares under the Creditor Share Purchase Option), provided always that the maximum number of Shares that will be allocated to an Other CSPO Participant (or their Permitted CSPO Nominee) pursuant to the Creditor Share Purchase Option will be equal to their Maximum Committed Securities. This allocations process will be repeated until either:
 - (A) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (B) each Other CSPO Participant (or their Permitted CSPO Nominee) has been allocated a number of Shares equal to the Maximum Committed Securities number specified in their TLA Proof of Debt Form, TLB Proof of Debt Form or SSN Account Holder Letter.

CSPO Cap Amount means an amount equal to the aggregate of US\$2.5 million plus any unsubscribed amount under the Share Purchase Plan.

CSPO Issue Price means the issue price of the Shares to be issued under the Creditor Share Purchase Option, being A\$2.48 per Share.

Custody Instructions means a custody instruction delivered to DTC to tender (as applicable):

- (a) SSN Indenture notes identified in a SSN Account Holder Letter; or
- (b) SUN Indenture notes identified in a SUN Account Holder Letter,

as being held at DTC through DTC's Automated Tender Offer Program.

Deed Poll means the Unsecured Scheme Administrators Deed Poll, the Agent Deed Poll, the TLB Collateral Agent Deed Poll, the SSN Trustee Deed Poll, the SUN Trustee Deed Poll, the Unsecured Creditors' Scheme Deed Poll, the Obligors Deed Poll or the Released

Individuals Deed Poll, as the context requires, and **Deeds Poll** means all of them or any combination of them, as the context requires.

Demands has the meaning given in clause 6.5(c).

Depository Trust Company or **DTC** means The Depository Trust Company, a central securities depository registered as a clearing agency with the Securities Exchange Commission.

Designated Recipient means any Permitted Assignee of an Unsecured Scheme Creditor who is not an Ineligible Person appointed under a validly completed and timely delivered TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) submitted to the Information Agent on behalf of an Unsecured Scheme Creditor to receive the consideration allocated to that Unsecured Scheme Creditor under this Scheme.

Director Nomination Agreement means each AHG Director Nomination Agreement and the CBP Director Nomination Agreement.

Effective means, when used in relation to this Scheme, the coming into effect of the Second Court Orders pursuant to section 411(10) of the Corporations Act.

Eligible SPP Shareholders means a BLY Shareholder who:

- (a) is registered as a BLY Shareholder on the BLY share register on the SPP Record Date with a registered address in Australia or New Zealand;
- (b) is not in the United States and is not acting for the account or benefit of a person in the United States; and
- (c) is eligible under applicable securities law to receive an offer under and participate in the Share Purchase Plan.

Existing Backstop ABL means the Term Loan Securities Agreement dated as of 23 July 2017 (as amended by the First Amendment to Term Loan Securities Agreement dated as of 5 August 2017, the Second Amendment to Term Loan Securities Agreement dated as of 31 August 2017, the Third Amendment to Term Loan Securities Agreement dated as of 24 July 2019, the Fourth Amendment to Term Loan Securities Agreement dated as of 19 March 2020, the Fifth Amendment to Term Loan Securities Agreement dated as of 1 June 2021 and as further amended, varied or amended and restated from time to time), between, amongst others, BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities with a final repayment date of the earlier of 22 October 2022 and 90 days following the final repayment date under the Existing PNC ABL.

Existing Options has the meaning given to that term in the RID.

Existing PNC ABL means the Amended and Restated Revolving Credit and Security Agreement, originally dated as of July 23, 2017, among PNC Bank National Association as lender and as agent, BLY Issuer as a borrower and the guarantors party thereto as amended by the document titled "Seventh Amendment to Amended and Restated Revolving Credit and Security Agreement" among PNC Bank National Association as lender and as agent and BLY Issuer as borrower.

Existing Warrants has the meaning given to that term in the RID.

Exit Financier has the meaning given to that term in the RID.

Exit Financing Facility means financing made available under a new money facility which shall:

- (a) be available for drawing by BLY US or another member of the Group;
- (b) be a five year term loan facility with a total aggregate commitment of US\$115,000,000 available for the purposes, amongst other things, of fully refinancing outstanding amounts (including, but not limited to, principal, interest and fees) under each of the Incremental Finance Facility and the Existing Backstop ABL; and
- (c) subject to certain conditions precedent, be available for drawing following completion of Step 1 and Step 2 (as set out in clause 8(a) and clause 8(b) (respectively) of the RID) in accordance with the RID.

Explanatory Statement means the explanatory statement to this Scheme and the Secured Creditors' Scheme prepared in accordance with the Corporations Act.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including the Treasurer of the Commonwealth of Australia), ASIC, the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any stock exchange.

Group means BLY and its subsidiaries.

Implementation Steps has the meaning given to that term in the RID.

Incremental Finance Documents means together:

- (a) the Incremental Finance Facility; and
- (b) any Loan Document (as that term is defined in the Incremental Finance Facility).

Incremental Finance Facility means the Term Loan Securities Agreement, dated as of 1 June 2021 by and among BLY Issuer, as issuer, the guarantors party thereto, the purchasers party thereto, Wilmington Trust, National Association, as agent and U.S. Bank National Association, as collateral agent, and providing for the issuance of term loan securities with a final repayment date of 31 December 2021.

Indemnified Liabilities has the meaning given in clause 6.5(a).

Ineligible Person means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or, if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

Information Agent means Prime Clerk LLC.

Liability means any debt, liability or obligation of a person whether it is present, future, prospective or contingent, whether or not it is fixed or undetermined, whether or not it

involves the payment of money or performance of an act or obligation and whether it arises by contract, at common law, in equity, by statute or otherwise in Australia or any other jurisdiction, or in any manner whatsoever.

Long Term Equity Incentive Plan means the Boart Longyear Limited 2020 Long Term Incentive Plan approved at BLY's Annual General Meeting on 31 July 2021.

Losses has the meaning given in clause 6.5(b).

Maximum Committed Securities means the maximum number of Shares the relevant Scheme Creditor (or its Permitted CSPO Nominee) is willing to subscribe for under the Creditor Share Purchase Option, as listed in its duly executed and delivered TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable).

Members' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between BLY and the BLY Shareholders, pursuant to which BLY will become a wholly owned subsidiary of New BLY Parent by the transfer of all Shares to New BLY Parent in exchange for the issue of New BLY Parent CDIs to BLY Shareholders.

Members' Scheme Effective Time means the time at which all of the Implementation Steps in clauses 8(i) (*Step 9 (Assumption Deed Poll)*) to 8(j) (*Step 10 (Members' Scheme Implementation)*) of the RID have been completed.

Net Proceeds has the meaning given in clause 10.2(a)(i).

New BLY Parent means Boart Longyear Ltd. (Ontario Corporation No. 002854330), a limited company incorporated in Ontario, Canada, with registered address Suite 2400, 333 Bay Street, Toronto, Canada, which is a newly incorporated company established for the purposes of the Members' Scheme.

New BLY Parent CDI means a CDI representing a beneficial interest in one New BLY Parent Share.

New BLY Parent Share means one common share in the capital of New BLY Parent.

New Common Equity means the total number of new Shares to which Secured Scheme Creditors and Unsecured Scheme Creditors are entitled pursuant to the BLY Creditors' Schemes (but excluding the Creditors Share Purchase Option) and allocated in accordance with the Allocations Spreadsheet determined by applying the following formula and adjusted as a result of any rounding required by clause 7(b):

$$(\text{Pre-restructuring Share Capital} / 0.015) - \text{Pre-restructuring Share Capital}$$

New Warrants means the warrants issued by BLY on the terms set out in Schedule 11 with a strike price of AU\$2.79.

Nominee has the meaning given to that term in clause 8.1(a).

Obligors means each of:

- (a) BLY;
- (b) BLY Issuer;
- (c) BLA;
- (d) BLI;

- (e) BCM;
- (f) BLY US;
- (g) Boart Longyear Canada;
- (h) Boart Longyear Chile Limitada;
- (i) Boart Longyear Company;
- (j) Boart Longyear Manufacturing and Distribution Inc.;
- (k) Boart Longyear Manufacturing Canada Ltd.;
- (l) Boart Longyear S.A.C.;
- (m) Boart Longyear Suisse Sarl;
- (n) Longyear Canada, ULC;
- (o) Longyear TM, Inc.;
- (p) Votraint; and
- (q) BLY IP Inc.

Obligors Deed Poll means the deed poll executed by the Obligors substantially in the form set out in Schedule 10 of this Scheme.

Other CSPO Participant means TLA Purchasers, TLB Purchasers and SSN Noteholders who are either a Secured Scheme Creditor or an Unsecured Scheme Creditor who complete and return to the Information Agent a TLA Proof of Debt Form, TLB Proof of Debt Form or a SSN Account Holder Letter (as applicable) with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Participating SUN Noteholder means SUN Noteholders who are Unsecured Scheme Creditors and who complete and return to the Information Agent the SUN Account Holder Letter with the relevant section titled 'Creditor Share Purchase Option' completed, provided also that in each case they are not an Ineligible Person or, if they are an Ineligible Person, they nominate a Permitted CSPO Nominee.

Permitted Assignee means, in respect of an Unsecured Scheme Creditor, any fund, limited partnership or other collective investment vehicle or other person which is directly or indirectly managed and/or advised by that Unsecured Scheme Creditor.

Permitted CSPO Nominee means a person (who is not an Ineligible Person) nominated by a Participating SUN Noteholder or Other CSPO Participant to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA or accedes to the RSA; and
- (b) the Participating SUN Noteholder or Other CSPO Participant specifies the nominee's name and details in the relevant section titled 'Creditor Share Purchase Option' of their SUN Account Holder Letter, SSN Account Holder Letter, TLA Proof of Debt Form or TLB Proof of Debt Form (as applicable).

Pre-restructuring Share Capital means the total number of Shares on issue by BLY immediately prior to the commencement of the Implementation Steps, with the number of Shares determined:

- (a) following the Share Consolidation to occur prior to the Creditors' Scheme Implementation Date;
- (b) before the buy-back of any Shares under the Selective Buy-Back;
- (c) before the issue of any Shares on the exercise of any New Warrants;
- (d) before the issue of any Shares on the exercise of Existing Warrants or Existing Options on or after the Creditors' Scheme Implementation Date;
- (e) before the issue of any Shares under the Long Term Equity Incentive Plan on or after the Creditors' Scheme Implementation Date; and
- (f) before the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option.

Proposed AHG Acquisitions has the meaning given to that term in clause 3.1(b).

Proposed CBP Acquisitions has the meaning given to that term in clause 3.1(a).

Released Individual means each person who was, at any time between 23 August 2017 and the Creditors' Scheme Implementation Date inclusive, a director or officer of any Obligor who has executed, or at any time executes (including by way of joinder), a Released Individuals Deed Poll.

Released Individuals Deed Poll means the deed poll substantially in the form set out in Schedule 9 of this Scheme.

Restructuring Document has the meaning given to that term in the RID.

RID means the Restructuring Implementation Deed substantially in the form set out in Schedule 2 of this Scheme and to be executed by an Unsecured Scheme Administrator on behalf of the Unsecured Scheme Creditors as contemplated by clause 5.1 of this Scheme.

RSA means the Restructuring Support Agreement entered into between, among others, BLY and BLY Issuer, dated 12 May 2021.

RSA Date means 12 May 2021, being the commencement date of the RSA.

Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders as set out in this document, subject to any alterations or conditions made or required by the Court.

Scheme Companies is as defined in the recitals to this Scheme.

Scheme Consideration Election Window means the period on and from the date which is notified by BLY as the date being at least five (5) Business Days prior to the Scheme Effective Date up to (but not including) the Scheme Effective Date.

Scheme Creditor means each Secured Scheme Creditor and Unsecured Scheme Creditor.

Scheme Effective Date means the date on which each of the conditions precedent in clause 3.1 have been satisfied.

Second Court Date means the first day of the hearing of an application made to the Court for the Second Court Orders or, if the hearing of such application is adjourned for any reason, means the first day to which the hearing is adjourned.

Second Court Orders means the orders of the Court approving this Scheme under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors (as defined in the Secured Creditors' Scheme), being the compromise or arrangement proposed by the Scheme Companies and approved by the Court at or around the time the Court approved this Scheme.

Secured Creditors' Scheme Meeting means the meeting of the Secured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Secured Creditors' Scheme, and includes any adjournment of that meeting.

Secured Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by a Scheme Company to an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee on any account at any time under or in connection with the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture or any transaction contemplated by those documents:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;
- (c) whether an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is liable;
- (d) whether due to a Scheme Company alone or with another person;
- (e) whether a Scheme Company is entitled for its own account or the account of another person;
- (f) whether arising from a banker and customer relationship or any other relationship;
- (g) whether originally contemplated by an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee or a Scheme Company or not;
- (h) whether a Scheme Company is the original person in whose favour the undertakings in the Term Loan A, Term Loan B, SSN Indenture or SUN Indenture were given or an assignee and, if an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee is an assignee:
 - (i) whether or not an Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with the security interests; and

- (i) if determined pursuant to any award, order or judgment against a Scheme Company, whether or not that Scheme Company was a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Scheme Administrator means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Secured Creditors' Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Secured Scheme Administrators Deed Poll.

Secured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of the Secured Creditors' Scheme and executed by the Secured Scheme Administrators.

Secured Scheme Creditor has the meaning given to that term in the Secured Creditors' Scheme.

Selective Buy-Back means selective buy-back described in the selective buy-back booklet dated on or about the date of the Explanatory Statement pursuant to which eligible BLY Shareholders holding parcels of Shares worth less than AU\$3,000 may offer to sell their Shares to BLY on the terms set out in the selective buy-back booklet and subject to BLY's absolute discretion to decide whether to accept (in whole or in part) or reject any offers received from BLY Shareholders (and subject to the maximum amount that can be expended by BLY in purchasing the shares being limited to US\$500,000).

Share Consolidation means the conversion of every 20 Shares into 1 Share.

Share Purchase Plan means the share purchase plan offered to Eligible SPP Shareholders on the terms set out in the share purchase plan booklet dated on or about the date of the Explanatory Statement, pursuant to which Eligible SPP Shareholders may subscribe for up to A\$30,000 worth of Shares, provided that the maximum amount to be raised by the share purchase plan is US\$2.5 million.

Shareholder Resolutions means resolutions of BLY Shareholders at a general meeting of the BLY Shareholders:

- (a) to grant approval for the purposes of ASX Listing Rule 7.1 to the extent required for BLY to give effect to the Transactions;
- (b) to grant approval for the purposes of ASX Listing Rule 10.11 to the extent required for BLY to give effect to the Transactions;
- (c) to grant approval for the purposes of item 7 of section 611 of the Corporations Act to the extent required for BLY to give effect to the Transactions, to permit any transfers of Transaction Securities between AHG Members from time to time and as BLY may additionally require;
- (d) to grant approval for the purposes of section 208 of the Corporations Act to the extent required for BLY to give any financial benefit to a related party by giving effect to the Transactions; and
- (e) to grant approval for the purposes of section 254H of the Corporations Act to give effect to the Share Consolidation.

Shares means fully paid ordinary shares in the capital of BLY.

SPP Record Date means 7:00 pm (Sydney time) on 28 July 2021.

SSN Account Holder Letter means an account holder letter substantially in the form set out at Annexure K to the Explanatory Statement, to be completed and lodged with the Information Agent by the relevant Account Holders (pursuant to the instructions of the relevant SSN Noteholder) for the purpose of, among other things, enabling each relevant SSN Noteholder to, amongst other things:

- (a) vote at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

SSN Indenture means the indenture dated 27 September 2013, between, among others, the BLY Issuer, as issuer, BLY, as parent, BLA, BLI, Votraint, BCM and BLY US, as guarantors, amongst others, and U.S. Bank National Association, as trustee and collateral agent, in respect of the 12.00% / 10.00% secured notes, as amended by the first supplemental indenture dated 31 August 2017, the second supplemental indenture dated 18 September 2017, the third supplemental indenture dated 31 December 2018, the fourth supplemental indenture dated 17 July 2019, the fifth supplemental indenture dated 24 June 2020, and the sixth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SSN Noteholders means each person with a Book Entry Interest in the SSN Indenture.

SSN Notes Registered Holder means the "Holder" or "Securityholder" as those terms are defined in the SSN Indenture, being Depository Trust Company.

SSN Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

SSN Secured RSA Date Debt means the amount of SSN Secured Debt as at the RSA Date, being US\$303,567,773.87.

SSN Trustee means U.S. Bank National Association in its capacity as trustee and collateral agent under the SSN Indenture and any successor trustee or collateral agent under that document.

SSN Trustee Deed Poll means the deed poll substantially in the form set out in Schedule 7 of this Scheme and to be executed by the SSN Trustee as contemplated in clause 4.3 of this Scheme and clause 7(c)(iii) of the RID.

SSN Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SSN Noteholders under the SSN Indenture which is unsecured pursuant to the terms of the relevant Creditors' Scheme Finance Documents.

SSN Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SSN Noteholders pursuant to this Scheme, calculated by reference to the proportion that 25% of the outstanding amount of SSN Unsecured RSA Date Debt, being the amount of US\$11,231,146.61, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

SSN Unsecured RSA Date Debt means the amount of SSN Unsecured Debt as at the RSA Date, being US\$44,924,586.44.

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

Standard Tax Conditions means the "Standard' tax conditions" set out in Part D of the Foreign Investment Review Board Guidance note 12 (Tax Conditions) dated 18 December 2020.

Standstill Period has the meaning given in clause 14.1(a).

Subordinate Claim means a "subordinate claim" within the meaning of subsection 563A(2) of the Corporations Act, against BLY in respect of any fact, matter, circumstance or event which has arisen or occurred at any time prior to the commencement of Implementation Step 7 (*Subordinate Claim Releases*) in clause 8 (*Implementation Steps*) of the RID.

Subordinate Claim Holder means any person who, as at immediately prior to the commencement of Implementation Step 7 (*Subordinate Claim Releases*) in clause 8 (*Implementation Steps*) in the RID, has or, but for this Scheme, would be entitled to make, a Subordinate Claim.

SUN Account Holder Letter means an account holder letter substantially in the form set out at Annexure L to the Explanatory Statement, to be completed and lodged with the Information Agent by the relevant Account Holders (pursuant to the instructions of the relevant SUN Noteholder) for the purpose of, among other things, enabling each relevant SUN Noteholder to, amongst other things:

- (a) vote at the Unsecured Creditors' Scheme Meeting; and
- (b) appoint proxies to vote on their behalf at the Unsecured Creditors' Scheme Meeting.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SUN Noteholders under the relevant Creditors' Schemes Finance Documents.

SUN Equity Entitlement means the proportion of New Common Equity to be allocated to each of the SUN Noteholders pursuant to this Scheme, calculated by reference to the proportion that 22.5% of the outstanding amount of SUN RSA Date Debt, being the amount of US\$21,137,517.61, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

SUN Indenture means the indenture dated 28 March 2011 between the BLY Issuer, as issuer, BLY, as guarantor, and Delaware Trust Company as trustee, amongst others, as amended by the first supplemental indenture dated 14 June 2013, the second supplemental indenture dated 27 September 2013, the third supplemental indenture dated 2 April 2017, the fourth supplemental indenture dated 31 August 2017, the fifth supplemental indenture dated 18 September 2017, the sixth supplemental indenture dated 31 December 2018, the seventh supplemental indenture dated 17 July 2019, the eighth supplemental indenture dated 15 June 2020, and the ninth supplemental indenture dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

SUN Noteholders means each person with a Book Entry Interest in the SUN Indenture.

SUN Notes Registered Holder means the "Holder" or "Securityholder" as that term is defined in the SUN Indenture, being Depository Trust Company.

SUN RSA Date Debt means the amount of SUN Debt as at the RSA Date, being US\$93,944,522.71.

SUN Trustee means Delaware Trust Company, in its capacity as trustee under the SUN Indenture and any successor trustee or collateral agent under that document.

SUN Trustee Deed Poll means the deed poll substantially in the form set out in Schedule 8 of this Scheme and to be executed by the SUN Trustee as contemplated in clause 4.4 of this Scheme and clause 7(c)(iv) of the RID.

Sunset Date means 31 December 2021.

Term Loan A means the Term Loan A Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votraint and BLY US, as guarantors, the TLA Purchasers, and Wilmington Trust, National Association, as administrative agent and collateral agent, pursuant to which term loan securities were issued, as amended by the First Amendment to Term Loan A Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan A Securities Agreement dated 24 June 2020, and the Third Amendment to Term Loan A Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

Term Loan B means the Term Loan B Securities Agreement dated 31 December 2018 between, amongst others, BCM as issuer, BLY, BLA, BLI, BLY Issuer, Votraint and BLY US, as guarantors, the TLB Purchasers, and Wilmington Trust, National Association, as administrative agent and collateral agent, pursuant to which term loan securities were issued, as amended by the First Amendment to Term Loan B Securities Agreement dated 17 July 2019, the Second Amendment to Term Loan B Securities Agreement dated 24 June 2020, and the Third Amendment to Term Loan B Securities Agreement dated as of 1 June 2021, as amended, varied, or amended and restated from time to time.

TLA Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure H of the Explanatory Statement which may be lodged with the Information Agent by the TLA Purchasers for the purpose of, amongst other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLA Proxy Form means the TLA Proxy Form completed by a TLA Purchaser in accordance with and substantially in the form set out in the Explanatory Statement.

TLA Purchasers means the "Purchasers" as that term is defined in the Term Loan A.

TLA Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is secured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Secured RSA Date Debt means the amount of TLA Secured Debt as at the RSA Date, being US\$85,000,000.00.

TLA Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLA Purchasers under the Term Loan A which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLA Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLA Purchasers pursuant to this Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLA Unsecured RSA Date Debt, being the amount of US\$18,834,246.22, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

TLA Unsecured RSA Date Debt means the amount of TLA Unsecured Debt as at the RSA Date, being US\$75,336,984.87.

TLB Collateral Agent means U.S. Bank National Association in its capacity as collateral agent for the TLB Purchasers and any successor trustee or collateral agent.

TLB Collateral Agent Deed Poll means the deed poll substantially in the form set out in Schedule 6 of this Scheme and to be executed by the TLB Collateral Agent as contemplated in clause 4.2 of this Scheme and clause 7(c)(ii) of the RID.

TLB Proof of Debt Form means a proof of debt form substantially in the form set out at Annexure J of the Explanatory Statement which may be lodged with the Information Agent by the TLB Purchasers for the purpose of, among other things, voting at the Secured Creditors' Scheme Meeting and the Unsecured Creditors' Scheme Meeting.

TLB Proxy Form means the TLB Proxy Form completed by a TLB Purchaser in accordance with and substantially in the form set out in the Explanatory Statement.

TLB Purchasers means the "Purchasers" as that term is defined in the Term Loan B.

TLB Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is secured pursuant to the terms of the relevant Creditors' Scheme Finance Documents.

TLB Secured RSA Date Debt means the amount of TLB Secured Debt as at the RSA Date, being US\$105,000,000.00.

TLB Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the TLB Purchasers under the Term Loan B which is unsecured pursuant to the terms of the relevant Creditors' Schemes Finance Documents.

TLB Unsecured Equity Entitlement means the proportion of New Common Equity to be allocated to each of the TLB Purchasers pursuant to this Scheme, calculated by reference to the proportion that 25% of the outstanding amount of TLB Unsecured RSA Date Debt, being the amount of US\$22,071,326.65, bears to the aggregate outstanding amount of Allocated Aggregate Debt and each such amount shall be set out in the Allocations Spreadsheet.

TLB Unsecured RSA Date Debt means the amount of TLB Unsecured Debt as at the RSA Date, being US\$88,285,306.60.

Total New Warrants means the total number of New Warrants to be issued to the SUN Noteholders (or their Designated Recipient) pursuant to this Scheme, and in accordance with the RID, which is calculated such that the total number of Shares that can be purchased using the total number of New Warrants issued would result in the SUN Noteholders (or their Designated Recipients), assuming all New Warrants were exercised, holding 10% of the total Shares on issue, with the total Shares on issue for the purposes of this calculation determined:

- (a) following the Share Consolidation to occur prior to the Creditors' Scheme Implementation Date;
- (b) following completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID;
- (c) before the buy-back of any Shares under the Selective Buy-Back;
- (d) before the issue of any Shares on the exercise of Existing Warrants or Existing Options on or after the Creditors' Scheme Implementation Date;
- (e) before the issue of any Shares under the Long Term Equity Incentive Plan on or after the Creditors' Scheme Implementation Date; and
- (f) before the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option; and

(g) including the new Shares that would be issued on exercise of the New Warrants, being a total number of New Warrants of 32,782,148.

Transaction Party means the parties to the Term Loan A, the Term Loan B, the SSN Indenture and the SUN Indenture, as applicable.

Transaction Securities has the meaning given to that term in the RID.

Transactions means the restructuring of BLY and certain of its subsidiaries as summarised in the Restructuring Term Sheet which is schedule 2 of the RSA.

Treasurer has the same meaning as it has for the purposes of the FATA.

Undertaking means:

- (a) the undertaking given by the Agent to execute the Agent Deed Poll in accordance with this Scheme;
- (b) the undertaking given by the TLB Collateral Agent to execute the TLB Collateral Agent Deed Poll in accordance with this Scheme;
- (c) the undertaking given by the SSN Trustee to execute the SSN Trustee Deed Poll in accordance with this Scheme; and
- (d) the undertaking given by the SUN Trustee to execute the SUN Trustee Deed Poll in accordance with this Scheme,

as the context requires, and **Undertakings** means all of them or any combination of them, as the context requires.

Unidentified Unsecured Scheme Creditors has the meaning given to that term in clause 8.2(a).

Unsecured Creditors' Scheme Deed Poll means the deed poll executed by the Unsecured Scheme Administrator as attorney and agent for the Unsecured Scheme Creditors as contemplated by clauses 5.2 of this Scheme and clause 7(a) of the RID in substantially the form set out in Schedule 4.

Unsecured Creditors' Scheme Meeting means the meeting of the Unsecured Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment of that meeting.

Unsecured Scheme Administrator means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of this Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Unsecured Scheme Administrators Deed Poll.

Unsecured Scheme Administrators Deed Poll means the deed poll substantially in the form set out in Schedule 3 of this Scheme and executed by the Unsecured Scheme Administrators.

Unsecured Scheme Claim means a Claim in respect of any Liability of a Scheme Company, an Obligor or a Released Individual to any person arising out of:

- (a) the TLA Unsecured Debt, the TLB Unsecured Debt, the SSN Unsecured Debt or the SUN Debt; or

(b) the Creditors' Schemes Finance Documents,

in each case, arising on or before the Creditors' Scheme Implementation Date (including, for the avoidance of doubt, any interest accruing on such claims up to the Creditors' Scheme Implementation Date).

Unsecured Scheme Consideration means the Transaction Securities to be issued to Unsecured Scheme Creditors in accordance with Implementation Step 1 (*Issue of Shares and New Warrants*) of the RID.

Unsecured Scheme Creditors means, as at the Scheme Effective Date, in respect of:

- (a) the Term Loan A, each TLA Purchaser with TLA Unsecured Debt;
- (b) the Term Loan B, each TLB Purchaser with TLB Unsecured Debt;
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Unsecured Debt; and
 - (ii) SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co;
- (d) the SUN Indenture:
 - (i) each SUN Noteholder with SUN Debt; and
 - (ii) SUN Notes Registered Holder, and the SUN Notes Registered Holder's nominee, Cede & Co.

Voting Entitlement Record Date means 3:00 pm (Sydney) on 2 August 2021.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, restated, amended and restated, supplemented, replaced, novated, extended or otherwise modified from time to time;
 - (iii) a party is a reference to a person who is bound by this Scheme, and any person who agrees to be bound whether by deed poll or otherwise;
 - (iv) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (v) a clause, term, schedule or attachment is a reference to a clause or term of, or, schedule or attachment to this Scheme;

- (vi) this Scheme includes all schedules and attachments to it;
- (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment; and
 - (D) any rule or principle of common law or equity,
 and is a reference to that law as amended, supplemented, consolidated, replaced, overruled or applied to new or different facts;
- (viii) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;
- (ix) "**dollars**" or "**US\$**" or "**\$**" is to an amount in the currency of the United States of America unless otherwise indicated;
- (x) "**AU\$**" is to an amount in the currency of the Commonwealth of Australia;
- (xi) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing; and
- (xii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) Unless expressly provided otherwise, an agreement on the part of two or more persons binds them severally.
- (g) Unless expressly provided otherwise, a reference to a date or time is to that date or time in Sydney, New South Wales.
- (h) The expressions subsidiary, holding company and related body corporate have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

1.5 **The rule about "contra proferentem"**

This document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision of it or because that party relies on a provision of this document to protect itself.

2. **CAPACITY OF THE AGENT, THE TLB COLLATERAL AGENT, THE SSN TRUSTEE AND THE SUN TRUSTEE**

Any action taken (including the giving of any release) in connection with this Scheme by:

- (a) the Agent, or on its behalf, is done in its capacity as administrative agent or collateral agent, or both, under the Term Loan A or Term Loan B, as the context requires, and not in the Agent's personal capacity;
- (b) the TLB Collateral Agent, or on its behalf, is done in its capacity as collateral agent, for the TLB Purchasers and not in the TLB Collateral Agent's personal capacity or in its capacity as agent or collateral agent for any other person;
- (c) the SSN Trustee, or on its behalf, is done in its capacity as trustee or collateral agent under the SSN Indenture and not in the SSN Trustee's personal capacity; and
- (d) the SUN Trustee, or on its behalf, is done in its capacity as trustee under the SUN Indenture and not in the SUN Trustee's personal capacity.

3. **CONDITIONS PRECEDENT**

3.1 **Conditions**

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) **(FATA - CBP)** at or before 8.00 am on the Second Court Date, either:
 - (i) the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any CBP Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed CBP Acquisitions**) and such approval is not subject to any conditions other than the Standard Tax Conditions or any other condition which is acceptable to each CBP Member that is subject of it acting reasonably; or
 - (ii) following notice of the Proposed CBP Acquisitions having been given by CBP to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired.
- (b) **(FATA - AHG)** at or before 8.00 am on the Second Court Date, either:

- (i) the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any AHG Member (or any of their respective Permitted Assignees) directly or indirectly acquiring the New Common Equity and, if applicable, New Warrants pursuant to the Transactions (**Proposed AHG Acquisitions**) and such approval is not subject to any conditions other than the Standard Tax Conditions or any other condition which is acceptable to each AHG Member that is the subject of it acting reasonably; or
 - (ii) following notice of the Proposed AHG Acquisitions having been given by AHG to the Treasurer under FATA, the Treasurer has ceased to be empowered to make an order under Part 3 of FATA because the applicable time limit on making orders and decisions under FATA has expired;
- (c) (**Shareholder approval**) at or before 8.00 am on the Second Court Date, each of the Shareholder Resolutions are passed by the requisite majorities of BLY Shareholders;
- (d) (**ASX approval**) at or before 8.00 am on the Second Court Date, ASX provides written confirmation that the terms of the New Warrants are appropriate and equitable for the purposes of ASX Listing Rule 6.1 or otherwise waives the requirement for the New Warrants to comply with ASX Listing Rule 6.1;
- (e) (**Director Nomination Agreements**) at or before 8.00 am on the Second Court Date, each Director Nomination Agreement has been executed by the parties to that Director Nomination Agreement;
- (f) (**deeds poll**) as at 8.00 am on the Second Court Date:
 - (i) the Unsecured Scheme Administrators Deed Poll and the Obligors Deed Poll have been executed by the Unsecured Scheme Administrators and the Obligors respectively and continue to benefit the beneficiaries named in those deeds poll in accordance with their terms; and
 - (ii) no such Deed Poll has been terminated;
- (g) (**undertaking**) as at 8.00 am on the Second Court Date:
 - (i) the Undertakings have been executed by the Agents, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee and continue to benefit the beneficiaries named in those Undertakings in accordance with their terms; and
 - (ii) no such Undertakings have been terminated;
- (h) (**Exit Financing Facility**) as at 8.00 am on the Second Court Date, the credit agreement for the Exit Financing Facility has been duly executed and delivered by all parties to it and all conditions precedent to the initial drawing under the Exit Financing Facility have been satisfied, other than any conditions relating to:
 - (i) this Scheme and the Secured Creditors' Scheme becoming Effective;
 - (ii) no amendments, waivers or modifications to the RSA, RID, this Scheme or the Secured Creditors' Scheme having been made since 8:00 am on the Second Court Date, other than any amendments, waivers or modifications that are not materially adverse to the interests of the Exit Financiers unless the prior written consent of the Exit Financiers was obtained (such consent not to be unreasonably withheld or delayed);

- (iii) each Implementation Step in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) and 8(b) (*Step 2 (Releases)*) of the RID having been completed in accordance with their terms; and
 - (iv) any conditions which the Exit Financier has agreed to waive or defer.
- (i) (**Regulatory Approvals**) as at 8.00 am on the Second Court Date, any approvals or consents, which are not otherwise described in this clause 3.1 but which are required by law or by any Government Agency to have been obtained by the Scheme Companies to implement this Scheme or the Secured Creditors' Scheme, have been obtained on an unconditional basis and remain in full force and effect;
 - (j) (**RSA**) as at 8.00 am on the Second Court Date, the RSA has not been terminated in accordance with its terms and each of the conditions precedent in clause 5.1 (*Conditions*) of the RSA (other than condition 10 (*Court approval*) and condition 17 (*Exit Financing*)) have either been satisfied or waived in accordance with the terms of the RSA;
 - (k) (**RID**) as at 8.00 am on the Second Court Date, the RID has been duly executed and delivered by all parties to the RID, save for each party to that document relying on authorities or instructions given under, or in connection with, this Scheme or the Secured Creditors' Scheme;
 - (l) (**Court approval**) the Court makes the Second Court Orders, including with such alterations or conditions required by the Court under section 411(6) of the Corporations Act and the alterations or conditions (if any) satisfy at least one of the following:
 - (i) they do not change the substance of this Scheme in any material respect or impose unduly onerous obligations on any of the parties, acting reasonably; or
 - (ii) they have the approval of at least 75% of the Unsecured Scheme Creditors who voted at the Unsecured Creditors' Scheme Meeting and each Obligor;
 - (m) (**Unsecured Creditors' Scheme Effective**) this Scheme becomes Effective; and
 - (n) (**Secured Creditors' Scheme**) the court order pursuant to section 411(4)(b), and if applicable section 411(6), of the Corporations Act in respect of the Secured Creditors' Scheme becomes effective pursuant to section 411(10) of the Corporations Act.

3.2 **Certificate**

The certificate provided by the Scheme Companies to the Court (or such other evidence as the Court requested) on the Second Court Date constitutes conclusive evidence, as between the parties, that the conditions precedent set out in clauses 3.1(a) to 3.1(k) have been satisfied.

4. **THE AGENT, THE TLB COLLATERAL AGENT, THE SSN TRUSTEE AND THE SUN TRUSTEE**

4.1 **The Agent**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the TLA Purchasers and the TLB Purchasers hereby:

- (a) direct the Agent to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and

done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and

- (b) provide the Agent with all other instructions and consents that are necessary to enable the Agent to do anything that this Scheme or the RID requires or otherwise provides for the Agent to do.

4.2 **TLB Collateral Agent**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the TLB Purchasers hereby:

- (a) direct the TLB Collateral Agent to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and
- (b) provide the TLB Collateral Agent with all other instructions and consents that are necessary to enable the TLB Collateral Agent to do anything that this Scheme or the RID requires or otherwise provides for the TLB Collateral Agent to do.

4.3 **SSN Trustee**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the SSN Noteholders and the SSN Notes Registered Holder hereby:

- (a) direct the SSN Trustee to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and
- (b) provide the SSN Trustee with all other instructions and consents that are necessary to enable the SSN Trustee to do anything that this Scheme or the RID requires or otherwise provides for the SSN Trustee to do.

4.4 **SUN Trustee**

On and from the Scheme Effective Date, notwithstanding any term of any relevant document, the SUN Noteholders and the SUN Notes Registered Holder hereby:

- (a) direct the SUN Trustee to execute and do, and to instruct any other Transaction Party which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including, without limitation, the applicable Deed Poll and the RID), acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the terms of this Scheme and the RID; and
- (b) provide the SUN Trustee with all other instructions and consents that are necessary to enable the SUN Trustee to do anything that this Scheme or the RID requires or otherwise provides for the SUN Trustee to do.

4.5 **Requirements of the Unsecured Scheme Administrator**

Each of the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee, each Unsecured Scheme Creditor and each Obligor will do such acts as may be required of it by the Unsecured Scheme Administrator to give the instructions, consents and notifications

referred to above and failing which the Unsecured Scheme Administrator will do so on their behalf pursuant to clauses 5.1(a) to 5.1(d).

5. GRANT OF AUTHORITY IN FAVOUR OF THE UNSECURED SCHEME ADMINISTRATOR

5.1 General grant of authority

- (a) The Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee, each Unsecured Scheme Creditor and each Obligor irrevocably authorises each Unsecured Scheme Administrator to take all steps and do all other things necessary or advisable to give effect to this Scheme and the RID.
- (b) Without limitation to the generality of clause 5.1(a), on and from the Scheme Effective Date, each Unsecured Scheme Creditor and each Obligor irrevocably appoints each Unsecured Scheme Administrator as its agent and attorney to enter into, execute and deliver as a deed (or otherwise) any document and to take any step necessary, desirable or advisable to give effect to this Scheme.
- (c) Without limitation to the generality of clauses 5.1(a) or 5.1(b), on and from the Scheme Effective Date, each Unsecured Scheme Creditor:
 - (i) irrevocably appoints each Unsecured Scheme Administrator as its agent and attorney to enter into, execute and deliver as a deed (or otherwise) the RID; and
 - (ii) acknowledges and agrees that it shall be bound by, and shall comply with, each of its obligations under the RID upon the RID becoming effective in accordance with its terms.
- (d) The appointments and authorities granted under this clause 5 (*Grant of authority in favour of the Unsecured Scheme Administrator*) and clauses 4 (*The Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee*) and 6 (*Unsecured Scheme Administrators*) shall be treated for all purposes as being fully effective and having been granted by deed poll. The authorities granted in favour of each Unsecured Scheme Administrator under this Scheme will terminate immediately on the retirement or resignation of each Unsecured Scheme Administrator in accordance with clause 6 (*Unsecured Scheme Administrators*) of this Scheme.

5.2 Unsecured Creditors' Scheme Deed Poll

Without limiting the generality of clause 5.1 (*General grant of authority*), on and from the Scheme Effective Date, each Unsecured Scheme Creditor irrevocably authorises the Unsecured Scheme Administrators to execute and deliver, as its attorney and agent, a deed poll substantially in the form of Schedule 4 (*Unsecured Creditors' Scheme Deed Poll*), as amended to include the list of Unsecured Scheme Creditors.

6. UNSECURED SCHEME ADMINISTRATORS

6.1 Appointment of Unsecured Scheme Administrators

Each Unsecured Scheme Administrator will, on and from the Scheme Effective Date, be appointed jointly and severally as scheme administrator of this Scheme.

6.2 Qualification, appointment and cessation

- (a) A person shall only be appointed as a scheme administrator of this Scheme, or replace an Unsecured Scheme Administrator who ceases to be a scheme administrator of this Scheme (except by reason of resignation as the Unsecured

Scheme Administrator under clause 6.8 (*Resignation of Unsecured Scheme Administrator*) if the person:

- (i) is not disqualified pursuant to section 411(7) of the Corporations Act;
 - (ii) consents to act as a scheme administrator; and
 - (iii) signs and delivers a deed poll substantially in the form of the Unsecured Scheme Administrators Deed Poll.
- (b) A person ceases to be an Unsecured Scheme Administrator if he or she:
- (i) is disqualified pursuant to section 411(7) of the Corporations Act;
 - (ii) resigns from the position of Unsecured Scheme Administrator by not less than one month's notice in writing to the Scheme Companies;
 - (iii) is removed from the position of Unsecured Scheme Administrator by an order of the Court;
 - (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (v) becomes bankrupt; or
 - (vi) dies.

6.3 **Powers in relation to this Scheme**

Subject to clause 6.8 (*Resignation of Unsecured Scheme Administrator*), each Unsecured Scheme Administrator:

- (a) has the power to supervise, administer, implement and carry out its functions as set out in this Scheme;
- (b) has the power to do anything else that is necessary or advisable for the purposes of administering this Scheme; and
- (c) has the power to do anything that is incidental to the exercise of the powers conferred on him or her under clauses 6.3(a) and 6.3(b).

6.4 **Exercise of Powers**

- (a) Each Unsecured Scheme Administrator shall be entitled to:
 - (i) employ its partners and staff to assist it in the performance or exercise of its duties, obligations, responsibilities and powers under this Scheme and the RID;
 - (ii) appoint agents to attend to any matter that the Unsecured Scheme Administrator might attend to under this Scheme and the RID and which the Unsecured Scheme Administrator is unable to attend to or which it is unreasonable to expect the Unsecured Scheme Administrator to attend to in person; and
 - (iii) appoint a solicitor, accountant, barrister or other professionally qualified person or persons to assist or advise the Unsecured Scheme Administrator.

- (b) Except as expressly provided in this Scheme, in exercising or performing any of its duties, obligations, responsibilities or powers under this Scheme and the RID, each Unsecured Scheme Administrator is taken not to act as, nor to have any of the duties of, a trustee.
- (c) Except where this Scheme or the RID expressly authorises an Unsecured Scheme Administrator to act as agent and attorney for a person in the execution of documents, the Unsecured Scheme Administrator does not act as agent or attorney for any party to, or person bound by, this Scheme or the RID and Claims or obligations of any kind whatsoever incurred in connection with its role as Unsecured Scheme Administrator are incurred by it personally.

6.5 **Liability**

Subject to the Corporations Act, an Unsecured Scheme Administrator is not, in the performance or exercise of its powers, obligations, functions and duties under this Scheme, personally liable for:

- (a) any Claims or obligations of any kind whatsoever incurred by or on behalf of the Scheme Companies including, without limitation, any monies borrowed and interest thereon and any contracts adopted or otherwise agreed and any Stamp Duty payable on this Scheme and any tax liable to be remitted or otherwise paid (**Indemnified Liabilities**);
- (b) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Losses**); or
- (c) any actions, suits, proceedings, accounts, Claims or demands arising out of this Scheme which may be commenced, incurred by or made by any person and all Costs incurred in respect thereof (**Demands**),

whether before, during or after the Scheme Effective Date, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

6.6 **Indemnity**

- (a) The Scheme Companies shall indemnify each Unsecured Scheme Administrator for:
 - (i) all Indemnified Liabilities, Losses and Demands (as defined in clause 6.5 (*Liability*)); and
 - (ii) all personal liability that an Unsecured Scheme Administrator may incur in respect of his or her role as Unsecured Scheme Administrator of the Scheme Companies,

unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

- (b) The indemnity under clause 6.6(a) takes effect on and from the Scheme Effective Date and is without limitation as to time notwithstanding the removal of the Unsecured Scheme Administrator and the appointment of a replacement Unsecured Scheme Administrator, the resignation of the Unsecured Scheme Administrator or the termination of this Scheme for any reason whatsoever.
- (c) The indemnity under clause 6.6(a) shall not:
 - (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Unsecured Scheme Administrator and shall extend to all actions, suits, proceedings, accounts, Liabilities, Claims and

Demands arising in any way out of any defect in the appointment of the Unsecured Scheme Administrator, the approval and implementation of this Scheme or otherwise; or

- (ii) affect or prejudice all or any rights that the Unsecured Scheme Administrator may have against any other person to be indemnified against the Costs, Losses and Liabilities incurred by the Unsecured Scheme Administrator in, or incidental to the exercise or performance of any of the powers or authorities conferred on the Unsecured Scheme Administrator by or in connection with this Scheme.

(d) This indemnity survives completion or termination of this Scheme.

6.7 Remuneration

Subject to the Corporations Act, each Unsecured Scheme Administrator shall be entitled to remuneration for its services together with reimbursement for its Costs, from, and in accordance with the terms of their letter of engagement with, the Scheme Companies.

6.8 Resignation of Unsecured Scheme Administrator

Immediately following the delivery of the register pursuant to clause 6.2(b) of the RID evidencing completion of the Implementation Steps, each Unsecured Scheme Administrator resigns as (and is taken to have resigned as) Unsecured Scheme Administrator.

6.9 Directors of the Scheme Companies remain in control

Subject to the terms of this Scheme:

- (a) the directors of each of the Scheme Companies:
 - (i) remain in control of each of the Scheme Companies with respect to the conduct of their respective business; and
 - (ii) remain in control of all of the assets of the Scheme Companies; and
- (b) the Unsecured Scheme Administrators do not have, and cannot exercise, any power in connection with the matters reserved to the directors of the Scheme Companies referred to in clause 6.9(a) above.

7. UNSECURED SCHEME CREDITOR CONSIDERATION

- (a) On the Creditors' Scheme Implementation Date, in accordance with the RID, and subject to clauses 8 (*Ineligible Persons and Unidentified Unsecured Scheme Creditors*) and 9 (*Entitlement to receive scheme consideration*):
 - (i) each Unsecured Scheme Creditor that is a TLA Purchaser shall be entitled to receive its applicable share of TLA Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLA Unsecured Debt held by the relevant TLA Purchaser bears to the aggregate outstanding amount of TLA Unsecured Debt held by all such TLA Purchasers in each case, as at the Voting Entitlement Record Date, and each such TLA Purchaser's definitive entitlement shall be set out in the Allocations Spreadsheet;
 - (ii) each Unsecured Scheme Creditor that is a TLB Purchaser shall be entitled to receive its applicable share of TLB Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of TLB Unsecured Debt held by the relevant TLB Purchaser bears to

the aggregate outstanding amount of TLB Unsecured Debt held by all such TLB Purchasers, in each case, as at the Voting Entitlement Record Date and each such TLB Purchaser's definitive entitlement shall be set out in the Allocations Spreadsheet;

- (iii) each Unsecured Scheme Creditor that is a SSN Noteholder shall be entitled to receive its applicable share of SSN Unsecured Equity Entitlement, which shall be allocated pro rata by reference to the proportion that the outstanding amount of SSN Unsecured Debt held by the relevant SSN Noteholder bears to the aggregate outstanding amount of SSN Unsecured Debt held by all such SSN Noteholders in each case, as at the Voting Entitlement Record Date and each such SSN Noteholder's definitive entitlement shall be set out in the Allocations Spreadsheet;
- (iv) each Unsecured Scheme Creditor that is a SUN Noteholder, shall be entitled to receive its applicable share of:
 - (A) the SUN Equity Entitlement; and
 - (B) the Total New Warrants,which shall be allocated pro rata by reference to the proportion that the outstanding amount of SUN Debt held by the relevant SUN Noteholder bears to the aggregate outstanding amount of SUN Debt held by all such SUN Noteholders as at the Voting Entitlement Record Date and each such SUN Noteholder's definitive entitlement shall be set out in the Allocations Spreadsheet; and
- (v) each Unsecured Scheme Creditor that is a TLA Purchaser, TLB Purchaser, SSN Noteholder or SUN Noteholder shall be entitled to its rights and benefits under the Restructuring Documents to the extent that they relate to such Unsecured Scheme Creditor's Unsecured Scheme Claim.

- (b) Where an Unsecured Scheme Creditor (or its Designated Recipient) would receive a fractional number of Shares or, if applicable, New Warrants as a result of the operation of clause 7(a), then the number of Shares or, if applicable, New Warrants issued to that person will be rounded to the nearest whole number.

8. **INELIGIBLE PERSONS AND UNIDENTIFIED UNSECURED SCHEME CREDITORS**

8.1 **Ineligible Persons**

- (a) Unsecured Scheme Creditors who are Ineligible Persons and who have not appointed a Designated Recipient in accordance with clause 9 (*Entitlement to receive scheme consideration*) are not entitled to be issued the New Common Equity or, if applicable, New Warrants under clause 7 (*Unsecured scheme creditor consideration*) and in accordance with the RID. Instead, the New Common Equity or, if applicable, New Warrants that but for this clause 8.1, would be issued to the Unsecured Scheme Creditor who is an Ineligible Person will, on the Creditors' Scheme Implementation Date, in accordance with this Scheme and the RID, be issued to a nominee appointed by BLY (the **Nominee**).
- (b) Where the Nominee is issued New Common Equity and, if applicable, New Warrants under clause 8.1(a), BLY will cause the Nominee to:
 - (i) as soon as is reasonably practicable (but, in any case within one month after the Members' Scheme Effective Time or, if the Members' Scheme is not approved by the Court, the Creditors' Schemes Restructuring Effective Time) offer all such New Common Equity (or the CDIs issued to the Nominee on

implementation of the Members' Scheme) or, if applicable, New Warrants for sale in the manner, at such price and on such other terms the Nominee thinks fit (and at the risk of the Unsecured Scheme Creditors who are Ineligible Persons); and

- (ii) remit to BLY the proceeds of sale (after deducting any reasonable brokerage or other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) and, if applicable, New Warrants in accordance with clause 8.1(b), BLY must pay to each Unsecured Scheme Creditor who is an Ineligible Person the proportion of the net proceeds of sale received by BLY pursuant to clause 8.1(b)(ii) to which that Unsecured Scheme Creditor is entitled.

8.2 Unidentified Unsecured Scheme Creditors

- (a) If an Unsecured Scheme Creditor is not identified in BLY's records provided to the Unsecured Scheme Administrators in accordance with clause 7(e) of the RID or, in respect of a SSN Noteholder or a SUN Noteholder who is an Unsecured Scheme Creditor, has not procured delivery of the Custody Instructions to DTC and the Information Agent during the Scheme Consideration Election Window as described in the Explanatory Statement to facilitate the delivery of the Unsecured Scheme Consideration (**Unidentified Unsecured Scheme Creditors**), BLY must issue the New Common Equity or, if applicable, the New Warrants to which that Unsecured Scheme Creditor is entitled to the Nominee on the Creditors' Scheme Implementation Date.
- (b) Where New Common Equity and, if applicable, New Warrants have been issued to the Nominee in accordance with clause 8.2(a), BLY will take commercially reasonable steps to seek to identify that Unsecured Scheme Creditor for a period of 6 months from the date of the Nominee receiving the New Common Equity and, if applicable, New Warrants.
- (c) If at any time during the 6 month period referred to in clause 8.2(b) above the Unidentified Unsecured Scheme Creditor has been identified, then BLY will cause the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) and, if applicable, New Warrants to which that Unsecured Scheme Creditor is entitled to be transferred to it (or its nominated Designated Recipient) provided that person is not an Ineligible Person, in which case:
 - (i) BLY will cause the Nominee to, as soon as is reasonably practicable, sell the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) and, if applicable, New Warrants at such price and on such other terms the Nominee thinks fit (and at the risk of the Unsecured Scheme Creditor) and remit the net proceeds of sale after deducting any reasonable brokerage or other selling costs, taxes and charges to BLY; and
 - (ii) promptly after the last sale of the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members' Scheme) and, if applicable, New Warrants in accordance with clause 8.2(c)(i), BLY must pay to each such Unsecured Scheme Creditor the proportion of the net proceeds of sale received by BLY pursuant to clause 8.2(c)(i) to which that Unsecured Scheme Creditor is entitled; or
- (d) If the Unidentified Unsecured Scheme Creditor is not identified by the end of the 6 month period referred to in clause 8.2(b), then BLY will cause the New Common Equity (or the CDIs issued to the Nominee on implementation of the Members'

Scheme) and, if applicable, New Warrants to which that Unidentified Unsecured Scheme Creditor is entitled to be sold by the Nominee and the proceeds to be donated by way of gift to a charity of BLY's choosing.

9. **ENTITLEMENT TO RECEIVE SCHEME CONSIDERATION**

9.1 **Appointment of Designated Recipient to receive scheme consideration**

- (a) Each Unsecured Scheme Creditor shall be entitled to appoint a Designated Recipient to receive the New Common Equity or, if applicable, New Warrants that it is entitled to under this Scheme by and in accordance with a duly completed TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and/or SUN Account Holder Letter (as applicable).
- (b) Each Unsecured Scheme Creditor that appoints a Designated Recipient:
 - (i) must procure that such Designated Recipient complies with the terms of this Scheme, the RID and the Restructuring Documents (as applicable); and
 - (ii) is liable for such Designated Recipient breaching the terms of this Scheme, the RID and the Restructuring Documents (as applicable).

9.2 **Entitlement to scheme consideration after Voting Entitlement Record Date**

- (a) Subject to clause 14.2 (*Transfers and assignments*), the Scheme Companies are under no obligation to recognise any assignment or transfer of interests in the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt after the Voting Entitlement Record Date for the purpose of a person claiming to be entitled to receive New Common Equity, New Warrants or Shares pursuant to the Creditor Share Purchase Option (as applicable) under this Scheme and have no obligations under this Scheme to any person claiming to be an Unsecured Scheme Creditor to whom the relevant TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt was assigned or transferred, unless that person has:
 - (i) provided a duly completed TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and/or SUN Account Holder Letter (as applicable) to the Information Agent in accordance with the instructions, other than the time by which the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter and SUN Account Holder Letter (as applicable) must be returned to the Information Agent, as set out in the Explanatory Statement;
 - (ii) if the person assigning or transferring the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt is a party to the RSA, complied with the terms of the RSA; and
 - (iii) if the person assigning or transferring the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt is a Participating SUN Noteholder or Other CSPO Participant, complied with clause 9.2(a)(i) and the relevant TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter (as applicable) provided to the Information Agent has the relevant section titled 'Creditor Share Purchase Option' completed, whereby, among other things, the relevant transferee has elected to participate in the Creditor Share Purchase Option and has requested the same Maximum Committed Securities as the person assigning or transferring the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt.
- (b) Any person to whom TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt was assigned or transferred after the Voting Entitlement Record Date and recognised by the Scheme Companies in accordance with clause 9.2 (*Entitlement*

to scheme consideration after Voting Entitlement Record Date) is deemed to have held the relevant TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt as at Voting Entitlement Record Date for the purpose of determining its entitlement to receive New Common Equity or, if applicable, New Warrants under clause 7 (*Unsecured scheme creditor consideration*) or Shares pursuant to the Creditor Share Purchase Option under clause 12 (*Creditor Share Purchase Option*).

10. RELEASES

10.1 Unsecured Scheme Creditor releases

- (a) Subject to clause 10.4 (*Limitations*) below, with effect on and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID:
- (i) in consideration of the rights conferred on the Unsecured Scheme Creditors pursuant to this Scheme, each Unsecured Scheme Creditor (for the avoidance of doubt, solely in their capacity as an Unsecured Scheme Creditor), hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law:
- (A) waives, releases and discharges all of its rights, title and interest in the Unsecured Scheme Claims; and
- (B) waives, releases and discharges all Liabilities of the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee to the Unsecured Scheme Creditors and each and every Claim which the Unsecured Scheme Creditors may have against the Scheme Companies, the Obligors, the Released Individuals, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee, in each case, in relation to or in connection with or in any way arising out of:
- (aa) the Unsecured Scheme Claims and any of the facts, matters, circumstances and events that arose, occurred in respect of or gave rise to the Unsecured Scheme Claims;
- (bb) the Creditors' Schemes Finance Documents;
- (cc) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Secured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents and/or the Incremental Finance Documents and/or the Existing Backstop ABL; and
- (dd) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms;
- (ii) in consideration of the rights conferred on the Obligors pursuant to this Scheme, each Obligor hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law waives, releases and discharges each Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:
- (A) the Creditors' Schemes Finance Documents;

- (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Secured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
 - (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms;
- (iii) in consideration of the rights conferred on the Released Individuals pursuant to this Scheme, each Released Individual hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law waives, releases and discharges each Obligor, each Unsecured Scheme Creditor, the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:
 - (A) the Creditors' Schemes Finance Documents;
 - (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Secured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
 - (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.
- (iv) in consideration of the rights conferred on the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee pursuant to this Scheme, the Agent, TLB Collateral Agent, SSN Trustee and SUN Trustee each hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law waives, releases and discharges each Obligor, each Unsecured Scheme Creditor and each Released Individual from any and all Claims and any and all other rights, title and interest in relation to or in connection with or in any way arising out of:
 - (A) the Creditors' Schemes Finance Documents;
 - (B) the preparation, negotiation, sanction or implementation of the RSA and/or this Scheme and/or the Secured Creditors' Scheme and/or the Members' Scheme and/or the Restructuring Documents; and
 - (C) the execution of the Restructuring Documents and/or the carrying out of the actions, steps and transactions contemplated thereby in accordance with their terms.
- (b) With effect on and from completion of the Implementation Step in clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*) of the RID, each of the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee and the Unsecured Scheme Creditors consents to the waivers, releases and discharges in this clause 10.1 and waives all rights that it may have to require that any person comply with any requirements relating to waiver or any other matter in any of the Creditors' Schemes Finance Documents to the extent necessary to effect the waivers, releases and discharges under this clause 10.1.
- (c) The releases in this clause 10.1 extend to Claims or Liabilities which are unknown to or not in the contemplation of the parties, their employees, agents, former employees or former agents, or their related bodies corporate, at the time the releases in this clause 10.1 take effect.

- (d) Subject to clause 10.4 (*Limitations*), with effect on and from the time at which the releases in this clause 10.1 take effect in accordance with clause 10.1(a) each of the Unsecured Scheme Creditors, Obligors, each Released Individual, the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee acknowledge and agree that the Creditors' Schemes Finance Documents are irrevocably and unconditionally terminated and, for the avoidance of doubt, the "Securities" (as defined in the SSN Indenture or SUN Indenture (as applicable)) issued under the SSN Indenture and the SUN Indenture are cancelled.

10.2 Subordinate Claim releases

- (a) With effect on and from completion of the Implementation Step in clause 8(f) (*Step 6 (Selective Buy-Back)*) of the RID:
 - (i) the right and entitlement of each Subordinate Claim Holder to enforce as against BLY any Subordinate Claim is limited to the amount (if any) actually recovered by BLY under any Applicable Insurance Policy, net of any expenses (including defence Costs) incurred by BLY and/or any relevant insurer in connection with the claim (**Net Proceeds**); and
 - (ii) BLY is hereby irrevocably and unconditionally fully and absolutely, to the fullest extent permitted by law released from any obligation to pay any amount in respect of any Subordinate Claim (including interest and Costs) in excess of the Net Proceeds referable to that claim.
- (b) Where BLY is entitled to claim under any Applicable Insurance Policy all or part of the amount claimed under a Subordinate Claim, BLY shall take all reasonable steps to make and pursue a claim for indemnity under the Applicable Insurance Policy in respect of that Subordinate Claim.

10.3 Covenant not to sue and bar to claim

On and from the Scheme Effective Date, each party releasing a Claim or releasing any other party from an obligation owed to it by that party under this Scheme absolutely and irrevocably undertakes to that party, at and from the time each such release is expressed to take effect and subject to all conditions to that released Claim or released obligation (if any) having been satisfied in accordance with their terms, that it will not:

- (a) make any Claim in respect of the released Claim or obligation to the extent that the Claim or obligation has been released in accordance with this document;
- (b) instruct, direct authorise or assist or encourage any other person (including, in respect of the Unsecured Scheme Creditors, each of the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee) to commence or continue any proceeding against the Scheme Companies, any Obligor or any Released Individual and/or any other entity in the Group in relation to or in connection with or in any way arising out of the matters referred to in clauses 10.1 (*Unsecured Scheme Creditor releases*) or 10.2 (*Subordinate Claim releases*), as applicable, or otherwise to assert any such claim against the Scheme Companies, any Obligor and/or any other entity in the Group,

and this document may be pleaded as a bar to any such Claim in any jurisdiction whatsoever.

10.4 Limitations

The releases, waivers and discharges effected by the terms of this clause 10 (*Releases*) shall not:

- (a) disentitle any Obligor, Unsecured Scheme Creditor, Released Individual, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee from enforcing their respective rights under this Scheme, the Restructuring Documents or in respect of any transaction to be implemented or consummated in connection therewith and each party agrees that those releases, waivers and covenants will be limited to the extent necessary to permit each of them to enforce any such rights;
- (b) discharge any indemnity granted in favour of the Agent, TLB Collateral Agent, SSN Trustee or SUN Trustee pursuant to the terms of a Creditors' Schemes Finance Document or the RID which is expressly stated in that document to survive or continue in full force and effect;
- (c) prevent the Agent, TLB Collateral Agent, SSN Trustee or SUN Trustee from executing, doing, or instructing any other relevant person to so execute or do, any instructions, acts or things under this Scheme or the RID;
- (d) extend to any Claim to the extent that such Claim relates to the released party's obligations under the RSA that require performance subsequent to this Scheme becoming Effective or to any terms of the RSA, or rights of any party to the RSA, that continue under or pursuant to the RSA; or
- (e) extend to any Claim by any party, to the extent that the relevant released party has engaged in fraud or wilful misconduct or been reckless, grossly negligent or dishonest in respect of the facts, matters, circumstances or events to which that Claim relates.

11. **TURNOVER**

- (a) Each Unsecured Scheme Creditor must hold on trust for the benefit of the Scheme Companies, the Released Individuals, the Obligors and for the benefit of each other entity in the Group (as applicable) any recovery made against such person and received by such Unsecured Scheme Creditor after the Scheme Effective Date, pursuant to any Liability or Claim released pursuant to clause 10.1(a)(i) or in breach of clause 10.3 (*Covenant not to sue and bar to claim*), other than, in each case and for the avoidance of doubt, any recovery made under clause 7 (*Unsecured scheme creditor consideration*), and the Unsecured Scheme Creditor must turn over any such recovery to the Scheme Companies, the Released Individuals, the Obligors and each other entity in the Group (as applicable) without set-off, counterclaim or deduction.
- (b) To the extent that the asset comprising the recovery referred to in clause 11(a) cannot be held on trust by the Unsecured Scheme Creditor that received such recovery, such Unsecured Scheme Creditor must pay to the relevant Scheme Companies, the Released Individuals, the Obligors, the Released Individuals and each other entity in the Group (as applicable) an amount equal to that recovery immediately upon demand being made by the relevant Scheme Companies, the Released Individuals, the Obligors and each other entity in the Group (as applicable) without set-off, counterclaim or deduction.
- (c) Any amounts held on trust in accordance with clause 11(a) or required to be paid in accordance with clause 11(b) pursuant to any Liability or Claim released under clause 10.1(a)(i) or in breach of clause 10.3 (*Covenant not to sue and bar to claim*), must be held on trust for the benefit of, or paid to, the Scheme Companies, the Released Individual, the Obligor, or a combination of one or more such persons, from whom such recovery was received by the Unsecured Scheme Creditor.

12. **CREDITOR SHARE PURCHASE OPTION**

- (a) On the Creditors' Scheme Implementation Date, in accordance with the RID, an Unsecured Scheme Creditor who:

- (i) is a Participating SUN Noteholder or an Other CSPO Participant;
- (ii) has complied with each of the requirements as set out in the TLA Proof of Debt Form, TLB Proof of Debt Form, SSN Account Holder Letter or SUN Account Holder Letter in the section entitled 'Creditor Share Purchase Option' and has been allocated Shares under the Creditor Share Purchase Option by BLY in accordance with the CSPO Allocation Principles; and
- (iii) has paid, or its Permitted CSPO Nominee has paid, the aggregate CSPO Issue Price payable by that Unsecured Scheme Creditor for the Shares allocated by BLY to that Unsecured Scheme Creditor (or its Permitted CSPO Nominee) by the payment date specified in the final Allocation Confirmation provided by BLY to the Unsecured Scheme Creditor,

will be issued, or its Permitted CSPO Nominee will be issued, by BLY the number of Shares allocated by BLY to that Unsecured Scheme Creditor (or its Permitted CSPO Nominee) in its capacity as such under the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles and each such Participating SUN Noteholder or Other CSPO Participant's definitive entitlement shall be set out in the Allocations Spreadsheet.

- (b) Where a Participating SUN Noteholder, an Other CSPO Participant or a Permitted CSPO Nominee would receive a fractional number of Shares as a result of the operation of clause 12(a), then the number of Shares issued to that person will be rounded to the nearest whole number.

13. **NO INCONSISTENT ACTS**

The parties agree to treat themselves as bound by this Scheme for all purposes and not to act otherwise than in accordance with this Scheme.

14. **STANDSTILL, TRANSFERS AND CONSENTS**

14.1 **Standstill**

- (a) During the period on and from the Scheme Effective Date up to the Creditors' Schemes Restructuring Effective Time (the **Standstill Period**), the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee and each Unsecured Scheme Creditor must not, except for the purpose of enforcing the terms of this Scheme, or any Deed Poll or as otherwise expressly provided by this Scheme:
 - (i) exercise any right or remedy it may have under or in connection with the documents governing their respective Claims against the Obligors, including any right to seek interest payments under any such document, or under any applicable United States, Australian, Canadian or foreign law or otherwise with respect to any defaults, events of default or default events, howsoever described, which may arise under such documents;
 - (ii) commence or continue any legal action, Claim or other proceedings against any Obligor or the assets of any Obligor, including but not limited to in connection with any rights arising out of an event of default, default or default event, howsoever described, under any Creditors' Schemes Finance Document applicable to it;
 - (iii) exercise and, in the case of a TLA Purchaser or TLB Purchaser, not direct the Agent to exercise, and shall instruct the Agent to desist from exercising, any rights under any Creditors' Schemes Finance Documents applicable to it;

- (iv) exercise and, in the case of the TLB Purchaser, not direct the TLB Collateral Agent to exercise, and shall instruct the TLB Collateral Agent to desist from exercising, any rights under the Creditors' Schemes Finance Documents applicable to it;
 - (v) exercise and, in the case of the SSN Noteholders and the SSN Notes Registered Holder, not direct the SSN Trustee to exercise, and shall instruct the SSN Trustee to desist from exercising, any rights under any Creditors' Schemes Finance Documents applicable to it;
 - (vi) exercise and, in the case of the SUN Noteholders and the SUN Notes Registered Holder, not direct the SUN Trustee to exercise, and shall instruct the SUN Trustee to desist from exercising, any rights under any Creditors' Schemes Finance Documents applicable to it;
 - (vii) take any step to enforce or make any demand under any guarantee, security or other right of recourse held by the Unsecured Scheme Creditors, the Agent, the TLB Collateral Agent, the SSN Trustee or the SUN Trustee in respect of any Creditors' Schemes Finance Document;
 - (viii) take, or concur in the taking, of any step to wind up, appoint a liquidator, administrator, receiver, receiver and manager, or analogous officer over, or commence any other insolvency related or attachment proceedings against, any Obligor or the assets of any Obligor;
 - (ix) take any steps to demand or enforce payment of all or part of any money owing, whether actually or contingently, by any Obligor pursuant to a right under any Creditors' Schemes Finance Document;
 - (x) declare any event of default, default or default event, howsoever described, under any Creditors' Schemes Finance Document, including in respect of any circumstances subsisting as at or prior to the Scheme Effective Date;
 - (xi) ask or require any Obligor under any Creditors' Schemes Finance Document to make any payment in respect of any indebtedness, Liability or obligations (in each case, including at law) of such Obligor, including under or in connection with any Creditors' Schemes Finance Document or any transaction under, or contemplated by, any Creditors' Schemes Finance Document;
 - (xii) institute or prosecute any legal proceedings in relation to any Claim under any Creditors' Schemes Finance Document against any Obligor or any other person to be released under this Scheme to the extent that such Claim or obligation is to be released under this Scheme; or
 - (xiii) exercise any rights against any Obligor which they may have on the occurrence of a breach, default, event of default, potential event of default or termination event (in each case, howsoever described or arising) under any Creditors' Schemes Finance Document.
- (b) For the avoidance of doubt, the forbearances in clause 14.1(a) do not constitute a waiver with respect to any defaults or events of default under the Creditors' Schemes Finance Documents, and shall not bar any Unsecured Scheme Creditor from filing a proof of debt or taking action to establish the amount of such Claim if this Scheme terminates and is of no further force or effect in accordance with clause 15 (*Termination*).

14.2 Transfers and assignments

- (a) Other than with the consent of the Scheme Companies, during the Standstill Period:

- (i) the Agent and each Unsecured Scheme Creditor that is a TLA Purchaser agrees not to dispose of or transfer any right under the Term Loan A and each such TLA Purchaser directs the Agent not to register any such disposal or transfer;
 - (ii) the Agent and each Unsecured Scheme Creditor that is a TLB Purchaser agrees not to dispose of or transfer any right under the Term Loan B and each such TLB Purchaser directs the Agent not to register any such disposal or transfer;
 - (iii) the TLB Collateral Agent and each Unsecured Scheme Creditor that is a TLB Purchaser agrees not to dispose of or transfer any right under the Term Loan B and each such TLB Purchaser directs the TLB Collateral Agent not to register any such disposal or transfer;
 - (iv) the SSN Trustee and each Unsecured Scheme Creditor that is a SSN Noteholder agrees not to dispose of or transfer any right under the SSN Indenture and each such SSN Noteholder directs the SSN Trustee not to register any such disposal or transfer; and
 - (v) the SUN Trustee and each Unsecured Scheme Creditor that is a SUN Noteholder agrees not to dispose of or transfer any right under the SUN Indenture and each such SUN Noteholder directs the SUN Trustee not to register any such disposal or transfer.
- (b) The Scheme Companies are under no obligation to recognise any assignment or transfer of interests in the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt for the purposes of this Scheme after the Scheme Effective Date and have no obligations under this Scheme to any person other than the Unsecured Scheme Creditors, except that the Scheme Companies may, in their sole discretion and subject to the production of such other evidence in relation to such assignment or transfer as they may reasonably require (including an undertaking from the relevant transferee that it shall be bound by the terms of this Scheme as an Unsecured Scheme Creditor in relation to its interest in the TLA Unsecured Debt, TLB Unsecured Debt, SSN Unsecured Debt or SUN Debt (as applicable)) and to any other terms and conditions which the Scheme Companies may consider necessary or desirable, agree to recognise such assignment or transfer for the purpose of this Scheme.

14.3 **Consent, waiver and release**

The Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee, each Unsecured Scheme Creditor and each Obligor whose consent or agreement is necessary under the Creditors' Schemes Finance Documents (as applicable) to give effect to this Scheme:

- (a) irrevocably consents and agrees to each Obligor:
 - (i) entering into, or otherwise becoming bound by, each Restructuring Document of which that Obligor is a party;
 - (ii) performing its respective obligations and transactions under, or as contemplated by those Restructuring Documents (including, but not limited to, Court applications for the purposes of this Scheme) of which that Obligor is a party; and
 - (iii) carrying out any step for the purposes of, or otherwise acting consistently with, those Restructuring Documents of which that Obligor is a party;
- (b) agrees that no breach, non-compliance, default, event of default or potential event of default or termination event (in each case, howsoever described) under any Creditors' Schemes Finance Document:

- (i) has occurred (and agrees that it is taken to have not occurred), as a result of;
- (ii) has been caused by (and agrees that it is taken to have not been caused by);
- (iii) is continuing (and agrees that it is taken not to be continuing), as a result of; or
- (iv) will or can occur, as a result of or be caused by,

any Obligor entering into or performing any Restructuring Document or the obligations or transactions under, or contemplated by, any Restructuring Document (including, but not limited to, any court applications for the purposes of this Scheme) or carrying out any step for the purposes of, or otherwise acting consistently with the Restructuring Documents, and if any such event is deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents;

- (c) without limiting any other clause in this Scheme, agrees that if any change of control, in each case howsoever described, (**Change of Control Event**) has occurred under any of the Creditors' Schemes Finance Documents at any time, up to and including the Creditors' Scheme Implementation Date, any rights arising out of or in connection with the Change of Control Event are waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents;
- (d) agrees and consents to any releases which are given, or disposals of rights or other property which are made or occur, by any Obligor under, or which are otherwise contemplated by, the Restructuring Documents; and
- (e) agrees that the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee have committed no breach, non-compliance or default under the relevant Creditors' Schemes Finance Documents by executing the Undertakings, and if any such event is deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Creditors' Schemes Finance Documents.

15. **TERMINATION**

15.1 **Sunset Date**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, then with effect from that time, this Scheme will not be capable of implementation and this Scheme will lapse, terminate and be of no further force or effect.

15.2 **Obligations on termination**

- (a) If this document is terminated, all obligations of the parties under this Scheme, other than clauses 6.5 (*Liability*), 16 (*Notices*) and 17 (*General Provisions*), immediately cease to be of further effect.
- (b) The termination of this Scheme does not affect any Claim that a party may have against another party where that Claim arose before this Scheme is terminated.

16. **NOTICES**

Any notice, consent or other communication under this Scheme must be given in accordance with clause 16 (*Notices*) of the RID as though that clause was reproduced in this Scheme in its entirety.

17. **GENERAL PROVISIONS**

17.1 **Further assurances**

The Unsecured Scheme Administrator, the Agent, the TLB Collateral Agent, the SSN Trustee, the SUN Trustee, each Unsecured Scheme Creditor and each Obligor must do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable (in the opinion of the Scheme Companies, acting in good faith) to give full effect to the terms of this Scheme and the transactions contemplated by it.

17.2 **Binding effect of Scheme**

This Scheme binds the Scheme Companies, each Unsecured Scheme Creditor (including each Unsecured Scheme Creditor who did not attend the Unsecured Creditors' Scheme Meeting, who did not vote at the Unsecured Creditors' Scheme Meeting or who voted against this Scheme) and each Subordinate Claim Holder (despite the fact that a meeting of those creditors has not been ordered by the Court under section 411(1) of the Corporations Act) and, to the extent of any inconsistency, overrides the terms of the Creditors' Schemes Finance Documents. This Scheme also binds any party who agrees to be bound by this Scheme pursuant to a Deed Poll.

17.3 **Costs and Stamp Duty**

- (a) The Scheme Companies must pay in full all Costs incurred by them in connection with the negotiation, preparation and implementation of this Scheme as and when they arise. For the avoidance of doubt, this includes all Costs incurred by the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee (including legal costs).
- (b) The Scheme Companies are liable for, and must pay all Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme.
- (c) If a person other than the Scheme Companies pays any Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme, then the Scheme Companies must pay that amount to the paying party on demand.
- (d) This clause 17.3 survives completion of this Scheme.

17.4 **Governing Law and jurisdiction**

- (a) This Scheme is governed by the laws of the State of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of the Scheme.

SCHEDULE 1

Creditors' Schemes Finance Documents

No.	Document	Parties	Date
Term Loan A			
Facility Agreements			
1.	Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein(each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	31 December 2018
2.	First Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	17 July 2019
3.	Second Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein(each a Guarantor), Centerbridge Special Credit Partners II AIV III, L.P., Centerbridge Credit Partners Master AIV III, L.P., CCP II Acquisition Holdings, LLC (Purchasers), Wilmington Trust, National Association (Agent)	24 June 2020
4.	Third Amendment to Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Acquisition Holdings, LLC, Centerbridge Credit Partners Master AIV III, L.P., Centerbridge Special Credit Partners Master II AIV III, L.P. (Purchasers), Wilmington Trust, National Association (Agent)	1 June 2021
Security Agreements			
5.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust,	10 April 2018

No.	Document	Parties	Date
		National Association (Collateral Agent)	
6.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
7.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
8.	General Security Deed – Term Loan A	Wilmington Trust, National Association (Secured Party), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Australia Pty Ltd (ACN 000 401 025), Votrait No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Investments Pty Limited (ACN 124 070 373) (each a Grantor)	31 December 2018
9.	US Security and Pledge Agreement for the Term Loan A Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein as a grantor(each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
10.	Canadian Security and Pledge Agreement for Term Loan A Securities Agreement	Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada, Ltd., Boart Longyear Manufacturing and Distribution Inc., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
11.	Restatement Amendment Agreement relating to the Assignment Agreement – Term Loan A Securities Agreement	Boart Longyear Suisse SARL (Assignor), Wilmington Trust, National Association (Administrative Agent)	31 December 2018
12.	Restatement Amendment Agreement relating to the Bank Account Assignment Agreement – Term Loan A Securities Agreement	Boart Longyear Suisse SARL (Assignor), Wilmington Trust, National Association (Administrative Agent)	31 December 2018
13.	Pledge over Inventory - Term Loan A	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
14.	Pledge over Fixed Assets – Term Loan A	Boart Longyear Chile Limitada (Grantor), Wilmington Trust,	31 December 2018

No.	Document	Parties	Date
		National Association (Collateral Agent)	
15.	Pledge over Assets	Boart Longyear S.A.C (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
16.	Pledge over Shares	Longyear Canada ULC (Grantor), US Bank National Association (Collateral Agent in respect of Notes Indenture Agreement), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
Term Loan B			
Facility Agreement			
17.	Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	31 December 2018
18.	First Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), CCP II Dutch Acquisition – ND2, B.V., CCP Credit SC II Dutch Acquisition – ND, B.V. (Purchasers), Wilmington Trust, National Association (Agent)	17 July 2019
19.	Second Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Guarantor), Centerbridge Special Credit Partners II AIV III, L.P., Centerbridge Credit Partners Master AIV III, L.P., CCP II Acquisition Holdings, LLC (Purchasers), Wilmington Trust, National Association (Agent)	24 June 2020
20.	Third Amendment to Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other	1 June 2021

No.	Document	Parties	Date
		company listed therein (each a Guarantor), CCP II Acquisition Holdings, LLC, Centerbridge Credit Partners Master AIV III, L.P., Centerbridge Special Credit Partners Master II AIV III, L.P. (Purchasers), Wilmington Trust, National Association (Agent)	
Security Agreements			
21.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	10 April 2018
22.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
23.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
24.	General Security Deed – Term Loan B	Wilmington Trust, National Association (Secured Party) and, amongst other, Boart Longyear Limited (ACN 123 052 728), Boart Longyear Management Pty Limited (ACN 123 283 545) and each other company listed therein (each a Grantor)	31 December 2018
25.	US Security and Pledge Agreement for the Term Loan B Securities Agreement	BL Capital Management LLC (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company listed therein (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
26.	Canadian Security and Pledge Agreement for Term Loan B Securities Agreement	Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada, Ltd., Boart Longyear Manufacturing and Distribution Inc., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
27.	Pledge over Inventory – Term Loan B Securities Agreement	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
28.	Pledge over Fixed Assets – Term Loan B Securities Agreement	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	31 December 2018
29.	Pledge over Assets	Boart Longyear S.A.C (Grantor), US Bank National Association (Collateral Agent)	31 December 2018

No.	Document	Parties	Date
		Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	
30.	Pledge over Shares	Longyear Canada ULC (Grantor), US Bank National Association (Collateral Agent in respect of Notes Indenture Agreement), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
31.	Amended and Restated SSN Indenture, TLB and Incremental Financing U.S. Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent, Trustee), Wilmington Trust, National Association (Authorized Representative), Boart Longyear Management Pty Limited (ACN 123 283 545) (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) (ACN 123 052 728) and the other grantors party thereto (each a Grantor)	1 June 2021
32.	Amended and Restated SSN Indenture, TLB and Incremental Financing Canadian Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent, Trustee), Wilmington Trust, National Association (Authorized Representative), Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd., Votraint No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor)	1 June 2021
SSN Indenture			
Facility Agreements			
33.	SSN Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) (Parent), Boart Longyear Australia Pty Ltd (ACN 000 401 025) and each other company party thereto, (each a Guarantor), U.S. Bank National Association (Trustee)	27 September 2013
34.	First Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), BLY IP Inc., Boart Longyear Limited (ACN 123 052 728) and each other company party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	31 August 2017
35.	Second Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), BLY IP Inc., BL DDL NY Holdings Inc., Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty	18 September 2017

No.	Document	Parties	Date
		Ltd (ACN 000 401 025) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	
36.	Third Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	31 December 2018
37.	Fourth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	17 July 2019
38.	Fifth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty Ltd (ACN 000 401 025) and each other company a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	24 June 2020
39.	Sixth Supplemental SSN Indenture to the Senior Secured Indenture and the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company a party thereto (each a Guarantor), U.S. Bank National Association (Trustee)	1 June 2021
Security Agreements			
40.	Amended and Restated SSN Indenture, TLB and Incremental Financing U.S. Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent) Boart Longyear Management Pty Limited (ACN 123 283 545) (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728) and the other grantors party thereto (each a Grantor)	1 June 2021
41.	Amended and Restated SSN Indenture, TLB and Incremental Financing Canadian Security and Pledge Agreement	U.S. Bank National Association (Collateral Agent)Longyear Canada, ULC, Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd., Votrait No. 1609 Pty Limited (ACN 119 244 272) (each a Grantor)	1 June 2021
42.	SSN Indenture Amendment Security Deed to the	U.S. Bank National Association (Secured Party), Boart Longyear Management Pty Limited (ACN 123	1 June 2021

No.	Document	Parties	Date
	General Security Deed dated 27 September 2013	283 545), Boart Longyear Limited (ACN 123 052 728), Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Australia Pty Ltd (ACN 000 401 025) (each a Grantor)	
43.	SSN Indenture Australian General Security Deed	U.S. Bank National Association (Secured Party), Boart Longyear Management Pty Limited (ACN 123 283 545), Boart Longyear Limited (ACN 123 052 728), Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Australia Pty Ltd (ACN 000 401 025) (each a Grantor)	27 September 2013
44.	Pledge over Assets – SSN Indenture	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent)	19 December 2013
45.	Pledge over Shares in Boart Longyear S.A.C. – SSN Indenture	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent)	19 December 2013
46.	Pledge over Inventory – SSN Indenture	Boart Longyear Chile Limitada (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture) Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	13 February 2015
47.	Pledge over Fixed Assets – SSN Indenture	Boart Longyear Chile Limitada (Grantor), US Bank National Association (Collateral Agent in respect of SSN Indenture) Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	13 February 2015
48.	Pledge over Assets – SSN Indenture (First Amendment)	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Agent in respect of Term Loan A and Term Loan B)	12 March 2015
49.	Pledge over Shares in Boart Longyear S.A.C – SSN Indenture (First Amendment)	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Agent in respect of Term Loan A and Term Loan B)	12 March 2015
50.	Pledge over Assets – SSN Indenture (Second Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Agent), Wilmington Trust, National	2 November 2016

No.	Document	Parties	Date
		Association (Agent in respect of Term Loan A and Term Loan B)	
51.	Pledge over Assets – SSN Indenture (Third Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	2 March 2018
52.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	10 April 2018
53.	Pledge over Assets – SSN Indenture (Fourth Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	26 July 2018
54.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	11 September 2018
55.	Pledge over Goods in Transit	Boart Longyear Chile Limitada (Grantor), Wilmington Trust, National Association (Collateral Agent)	24 September 2018
56.	Pledge over Assets – SSN Indenture (Fifth Amendment)	Boart Longyear S.A.C. (Grantor), Bank of America N.A (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	10 December 2018
57.	SSN Indenture General Security Deed	U.S. Bank National Association (Secured Party), Boart Longyear Investments Pty Limited (ACN 124 070 373) (Grantor)	1 June 2021
58.	Pledge over Assets – SSN Indenture (Sixth Amendment)	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018
59.	Pledge over Shares in Boart Longyear S.A.C – SSN Indenture (Second Amendment)	Longyear Canada, ULC (Grantor), Bank of America N.A (Agent), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	31 December 2018

No.	Document	Parties	Date
60.	Pledge over Assets – SSN Indenture	Boart Longyear S.A.C. (Grantor), U.S. Bank National Association (Collateral Agent in respect of SSN Indenture), Wilmington Trust, National Association (Collateral Agent in respect of Term Loan A and Term Loan B)	23 January 2020
SUN Indenture			
61.	SUN Indenture to the Notes issued thereunder	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	28 March 2011
62.	First Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Manufacturing USA Inc., Boart Longyear Manufacturing Canada Ltd. (each a Guarantor), U.S. Bank National Association (Trustee)	14 June 2013
63.	Second Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Chile Limitada, Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Comercializadora Limitada (each a Guarantor), U.S. Bank National Association (Trustee)	27 September 2013
64.	Third Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), U.S. Bank National Association (Trustee)	2 April 2017
65.	Fourth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	31 August 2017
66.	Fifth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	18 September 2017

No.	Document	Parties	Date
67.	Sixth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	31 December 2018
68.	Seventh Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	17 July 2019
69.	Eighth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728) and each other company specified as a party thereto(each a Guarantor), Delaware Trust Company (Trustee)	15 June 2020
70.	Ninth Supplemental SUN Indenture to the Unsecured Notes	Boart Longyear Management Pty Limited (ACN 123 283 545) (Issuer), Boart Longyear Limited (ACN 123 052 728), Boart Longyear Australia Pty Ltd (ACN 000 401 025), Boart Longyear Investments Pty Limited (ACN 124 070 373), Votraint No. 1609 Pty Limited (ACN 119 244 272), Boart Longyear Chile Limitada, Boart Longyear S.A.C., BLY US Holdings Inc., Boart Longyear Company, BL Capital Management LLC, Longyear TM, Inc., Boart Longyear Manufacturing and Distribution Inc., Boart Longyear Manufacturing Canada Ltd., Longyear Canada, ULC, Boart Longyear Canada, BLY IP Inc., Boart Longyear Suisse SARL (each a Guarantor), Delaware Trust Company (Trustee)	1 June 2021

SCHEDULE 2

Restructuring Implementation Deed

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Restructuring Implementation Deed

2021

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THIS DEED is made on

2021

BETWEEN:

- (1) **Boart Longyear Limited** ACN 123 052 728 (**BLY**);
- (2) each other **Scheme Company** listed in the table under the row "Scheme Companies" in schedule 1;
- (3) the **Secured Scheme Creditors** (as defined in the Secured Creditors' Scheme (as defined below)) acting by the Secured Scheme Administrator pursuant to the authority conferred upon the Secured Scheme Administrator by the Secured Scheme Creditors under clause 5 of the Secured Creditors' Scheme;
- (4) the **Unsecured Scheme Creditors** (as defined in the Unsecured Creditors' Scheme (as defined below)) acting by the Unsecured Scheme Administrator pursuant to the authority conferred upon the Unsecured Scheme Administrator by the Unsecured Scheme Creditors under clause 5 of the Unsecured Creditors' Scheme;
- (5) **Christopher Clarke Hill** and **David Peter McGrath** of FTI Consulting, together being the Secured Scheme Administrators and Unsecured Scheme Administrators (**Scheme Administrators**);
- (6) **Wilmington Trust, National Association**, in its capacity as administrative agent and collateral agent under the Term Loan A and Term Loan B;
- (7) **U.S. Bank National Association**, in its capacity as trustee and collateral agent under the SSN Indenture (the **SSN Trustee**);
- (8) **U.S. Bank National Association**, in its capacity as collateral agent for the TLB Purchasers (the **TLB Collateral Agent**);
- (9) **Delaware Trust Company**, in its capacity as trustee under the SUN Indenture (the **SUN Trustee**);
- (10) **Boart Longyear Ltd.** (Ontario Corporation No. 002854330), a limited company incorporated in Ontario, Canada, with registered address Suite 2400, 333 Bay Street, Toronto, Canada (**New BLY Parent**);
- (11) each **Incremental Financier** listed in the table under the row "Incremental Financiers" in schedule 1;
- (12) **U.S. Bank National Association**, in its capacity as collateral agent under the Incremental Finance Facility (the **Incremental Collateral Agent**);
- (13) **Wilmington Trust, National Association**, in its capacity as agent under the Incremental Finance Facility (the **Incremental Agent**);
- (14) each **Existing Backstop ABL Financier** listed in the table under the row "Existing Backstop ABL Financiers" in schedule 1;
- (15) **Wilmington Trust, National Association**, in its capacity as collateral agent under the Existing Backstop ABL (the **Backstop Collateral Agent**); and
- (16) **Wilmington Trust, National Association**, in its capacity as agent under the Existing Backstop ABL (**Backstop Agent**).

RECITALS:

- (A) The Scheme Companies have proposed a restructuring of BLY and its subsidiaries' financial indebtedness to be implemented in accordance with the BLY Creditors' Schemes, this document and the other Restructuring Documents.
- (B) This is the "Restructuring Implementation Deed" referred to in the RSA, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, the Creditors' Schemes Explanatory Statement, the Members' Scheme and the Members' Scheme Explanatory Statement.
- (C) The purpose of this document is to give effect to certain of the steps in the Restructuring Documents and to formalise the consents, instructions, directions, waivers, steps and timing required to implement the Restructuring.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this document the following words, expressions and abbreviations have the following meanings, unless the context otherwise requires:

Adviser means each of the Scheme Companies' Advisers, AHG Advisers or the CBP Advisers (as applicable).

Agent has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Agent Claim has the meaning given to that term in clause 10.1(d)(ii).

Agent Deed Poll means the Agent Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively and to be executed by the Agents in accordance with clause 7(b).

Agent Demands has the meaning given to that term in clause 10.1(d)(ii)(C).

Agent Liabilities has the meaning given to that term in clause 10.1(d)(ii)(A).

Agent Losses has the meaning given to that term in clause 10.1(d)(ii)(B).

AHG means each person listed in the table under the row "AHG" in schedule 1, or any of their permitted transferees or assignees and **AHG Member** means any one of them.

AHG Advisers means Paul Weiss Rifkind Wharton & Garrison LLP, Gilbert + Tobin and Clifford Chance, Sydney (as legal advisers).

AHG Director Nomination Agreements has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Allocation Confirmation has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Allocations Spreadsheet has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Assumption Deed Poll means the deed poll of that name to be entered into by New BLY Parent in favour of holders of the New Warrants, the holders of the Existing Warrants, the holders of the Existing Options and the participants in the Long Term Incentive Plan.

ASX means ASX Limited or the financial market operated by ASX Limited, as the context requires.

Authorised Nominee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Backstop ABL Outgoing Consideration means an amount equal to all Obligations (other than contingent indemnification obligations) (as defined in the Existing Backstop ABL) outstanding as at the Creditors' Scheme Implementation Date.

Backstop ABL Pay Out Letter means the pay-out letter provided to the BLY Issuer by the Backstop Agent confirming the Backstop ABL Outgoing Consideration.

Backstop Agent Claim has the meaning given to that term in clause 10.5(d)(ii).

Backstop Agent Demands has the meaning given to that term in clause 10.5(d)(ii)(C).

Backstop Agent Liabilities has the meaning given to that term in clause 10.5(d)(ii)(A).

Backstop Agent Losses has the meaning given to that term in clause 10.5(d)(ii)(B).

Backstop Collateral Agent Claim has the meaning given to that term in clause 10.6(d)(ii).

Backstop Collateral Agent Demands has the meaning given to that term in clause 10.6(d)(ii)(C).

Backstop Collateral Agent Liabilities has the meaning given to that term in clause 10.6(d)(ii)(A).

Backstop Collateral Agent Losses has the meaning given to that term in clause 10.6(d)(ii)(B).

Backstop Finance Documents means together:

- (a) the Existing Backstop ABL;
- (b) any security granted by any or all of the members of the Group for the benefit of the Existing Backstop ABL Financiers; and
- (c) any document designated a Loan Document (as that term is defined in the Existing Backstop ABL).

BLY Creditors' Schemes means, collectively, the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

BLY Register means the register of members of BLY.

BLY Shareholder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Business Day has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CBP means each person listed in the table under the row "CBP" in schedule 1, or any of their permitted transferees or assignees and **CBP Member** means any one of them.

CBP Advisers means Kirkland & Ellis LLP and MinterEllison (as legal advisers).

CBP Director Nomination Agreement has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CDI has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Claim has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Collateral Agent has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs means costs, charges, fees and expenses.

Court has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditor Share Purchase Option has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Implementation Period has the meaning given to that term in clause 4.2(b).

Creditors' Scheme Implementation Date means the Proposed Creditors' Scheme Implementation Date, unless another date is determined and notified by a Scheme Administrator in accordance with clause 4.1(a), in which case that new date will be the Creditors' Scheme Implementation Date.

Creditors' Schemes Effective Date means the date on which the Scheme Effective Date under both the Secured Creditors' Scheme and the Unsecured Creditors' Scheme has occurred.

Creditors' Schemes Explanatory Statement means the explanatory statement prepared in accordance with the Corporations Act explaining the BLY Creditors' Schemes.

Creditors' Schemes Finance Documents has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Schemes Restructuring Effective Time means the time at which all of the Implementation Steps in clauses 8(a) (*Step 1 (Issue of Shares and New Warrants)*) to 8(h) (*Step 8 (Confirmation of Scheme Restructuring Effective Time)*) have been completed.

CSPO Allocation Principles has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

CSPO Creditors means each Participating SUN Noteholder and each Other CSPO Participant.

CSPO Issue Price has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Demands has the meaning given to that term in clause 11.1(c).

Designated Recipient has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Effective has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

EGM means the extraordinary general meeting of BLY Shareholders to consider and vote on the shareholder resolutions to approve the Restructuring.

Execution Effective Date has the meaning given to it in clause 3.

Existing Backstop ABL has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Existing Backstop ABL Financiers means each entity listed in the table under the row "Existing Backstop ABL Financiers" in schedule 1.

Existing Options means the options granted to eligible participants to purchase Shares in accordance with:

- (a) the 2014 option plan established by BLY entitled "Boart Longyear Limited Option Plan";
- (b) the 2015 option plan established by BLY entitled "Boart Longyear Limited Option Plan"; and
- (c) the 2016 option plan established by BLY entitled "Boart Longyear Limited Option Plan".

Existing Warrants means each of the following instruments:

- (a) the quoted ordinary warrants trading on ASX initially issued in September 2017 to all eligible BLY Shareholders, which are subject to an Ordinary Warrant Deed Poll dated 31 August 2017 in favour of the warrant holders;
- (b) unquoted Class A 7% warrants initially issued in September 2017 to all holders of unsecured 1.50% subordinated PIK notes due 2022, which are subject to the Class A 7% Warrant Deed Poll dated 1 September 2017 in favour of the warrant holders; and
- (c) unquoted Class B 7% warrants initially issued in September 2017 to all holders of unsecured 1.50% subordinated PIK notes due 2022, which are subject to the Class B 7% Warrant Deed Poll dated 1 September 2017 in favour of the warrant holders.

Exit Financier means each bank, fund or other financial institution who is designated a lender (howsoever described) pursuant to the terms of the Exit Financing Facility.

Exit Financing Documents means:

- (a) the Exit Financing Facility;
- (b) the Exit Financing Security; and
- (c) any other document designated a loan document or a finance document (howsoever described) under the Exit Financing Facility.

Exit Financing Facility has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Exit Financing Security means security granted by any or all of the Group members that are party to the documents for the Exit Financing Facility for the benefit of the financiers and other finance parties under the Exit Financing Facility.

Funds Flow means the funds flow document prepared by BLY as the funds flow for the purpose of this document which sets out each party's entitlement to the funds distributed in accordance with the Implementation Steps, which will be provided to each CBP Member, each AHG Member, the Incremental Agent on behalf of the Incremental Financiers and the Backstop Agent on behalf of the Backstop ABL Financiers.

Government Agency has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Group has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

GST means the same as "GST" means in the GST Law.

GST Law means the same as "GST Law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Steps means each of the steps set out in clause 8.

Incremental Agent Claim has the meaning given to that term in clause 10.7(d)(ii).

Incremental Agent Demands has the meaning given to that term in clause 10.7(d)(ii)(C).

Incremental Agent Liabilities has the meaning given to that term in clause 10.7(d)(ii)(A).

Incremental Agent Losses has the meaning given to that term in clause 10.7(d)(ii)(B).

Incremental Collateral Agent Claim has the meaning given to that term in clause 10.8(d)(ii).

Incremental Collateral Agent Demands has the meaning given to that term in clause 10.1(d)(ii)(C).

Incremental Collateral Agent Liabilities has the meaning given to that term in clause 10.1(d)(ii)(A).

Incremental Collateral Agent Losses has the meaning given to that term in clause 10.1(d)(ii)(B).

Incremental Finance Documents has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Incremental Finance Facility has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Incremental Finance Outgoing Consideration means the amount equal to all Obligations (other than contingent indemnification obligations) (as defined in the Incremental Finance Facility) outstanding as at the Creditors' Scheme Implementation Date.

Incremental Finance Pay Out Letter means the pay out letter provided to the BLY Issuer by the Incremental Agent confirming the Incremental Finance Outgoing Consideration.

Incremental Financier means each person listed in the table under the row "Incremental Financiers" in schedule 1.

Liabilities has the meaning given to that term in clause 11.1(a).

Long Term Incentive Plan means Boart Longyear's 2020 Long Term Incentive Plan effective 30 July 2020.

Losses has the meaning given to that term in clause 11.1(b).

Members' Scheme has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Members' Scheme Consideration means one (1) New BLY Parent Share in the form of a CDI, for each one (1) Share held by a Re-domiciliation Member.

Members' Scheme Explanatory Statement means the explanatory statement prepared in accordance with the Corporations Act explaining the Members' Scheme.

Members' Scheme Implementation Date means the Proposed Members' Scheme Implementation Date, unless another date is determined and notified by a Scheme Administrator in accordance with clause 4.2(c), in which case that new date will be the Members' Scheme Implementation Date.

Members' Scheme Second Court Orders means the orders of the Court approving the Members' Scheme under section 411(6) of the Corporations Act.

New BLY Parent CDI means a CDI representing a beneficial interest in one New BLY Parent Share.

New BLY Parent Shares means one common share in the capital of New BLY Parent.

New Common Equity has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

New Warrants has the meaning given to that term in the Unsecured Creditors' Scheme.

Nominee has the meaning given to that term in clause 8.1(a) of the Secured Creditors' Scheme and clause 8.1(a) of the Unsecured Creditors' Scheme.

Non-Associated Shareholder means a BLY Shareholder who is not any of the following:

- (a) a TLA Purchaser, TLB Purchaser, SSN Noteholder or SUN Noteholder on the SBB Record Date or at any time after that date; or
- (b) an associate of any of the persons referred to in paragraph (a).

Obligors has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Other CSPO Participant has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Participating SUN Noteholder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Proposed Creditors' Scheme Implementation Date has the meaning given to it in clause 4.1(a).

Proposed Members' Scheme Implementation Date has the meaning given to it in clause 4.1(b).

Re-domiciliation Member means each BLY Shareholder recorded in the BLY Register as at the record date for the Members' Scheme, being those BLY Shareholders to receive the Members' Scheme Consideration under the Members' Scheme.

Restructuring means the proposed restructuring of the existing indebtedness and equity of the Group to be effected by completing the Implementation Steps.

Restructuring Documents means this document and each of the documents listed in schedule 2 of this document.

RSA has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Sale Agent has the meaning given to that term in the Members' Scheme.

SBB Record Date means the date for determination of BLY Shareholders who are entitled to participate in the Selective Buy-Back, being 7.00 pm (Sydney time) on 28 July 2021.

Scheme Administrators means Christopher Clarke Hill and David Peter McGrath of FTI Consulting, being the Secured Scheme Administrators and Unsecured Scheme Administrators.

Scheme Companies means BLY and each other Scheme Company listed in the table under the row "Scheme Companies" in schedule 1.

Scheme Companies Advisers means Ashurst, Milbank LLP, Dorsey & Whitney LLP, Fasken (as legal advisers).

Scheme Effective Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme respectively.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors (as defined in the Secured Creditors' Scheme), being the compromise or arrangement proposed by the Scheme Companies and approved by the Court immediately prior to the entry into this document.

Secured Creditors' Scheme Deed Poll has the meaning given to that term in the Secured Creditors' Scheme.

Secured Scheme Administrator has the meaning given to that term in the Secured Creditors' Scheme.

Secured Scheme Consideration means the New Common Equity to be issued to Secured Scheme Creditors in accordance with clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*).

Secured Scheme Creditors has the meaning given to that term in the Secured Creditors' Scheme.

Selective Buy-Back has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Selective Buy-Back Consideration means the amount payable by BLY to a Selective Buy-Back Shareholder for the purchase of Shares from the Selective Buy-Back Shareholder in accordance with the Selective Buy-Back.

Selective Buy-Back Shareholders means an eligible Non-Associated Shareholder who offers to sell their Shares to BLY by electing to participate in the Selective Buy-Back and from whose offer to sell Shares is accepted by BLY in its absolute discretion.

Share Purchase Plan has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Shares means fully paid ordinary shares in the capital of BLY.

SPP Shareholders means those eligible BLY Shareholders who elect to purchase Shares in accordance with the Share Purchase Plan.

SSN Indenture has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Noteholders has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Notes Registered Holder has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

SSN Trustee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SSN Trustee Claim has the meaning given to that term in clause 10.3(d)(ii)(A).

SSN Trustee Deed Poll means each SSN Trustee Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme and to be executed by the SSN Trustee in accordance with clause 7(b).

SSN Trustee Demands has the meaning given to that term in clause 10.3(d)(ii)(C).

SSN Trustee Liabilities has the meaning given to that term in clause 10.3(d)(ii)(A).

SSN Trustee Losses has the meaning given to that term in clause 10.3(d)(ii)(B).

SSN Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

Subordinate Claim Holder has the meaning given to that term in the in Unsecured Creditors' Scheme.

SUN Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

SUN Indenture has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Noteholders has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Notes Registered Holder has the meaning given to that term in the Unsecured Creditors' Scheme.

SUN Trustee has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

SUN Trustee Claim has the meaning given to that term in clause 10.4(d)(ii)(A).

SUN Trustee Deed Poll means the SUN Trustee Deed Poll set out in the Unsecured Creditors' Scheme and to be executed by the SUN Trustee in accordance with clause 7(c).

SUN Trustee Demands has the meaning given to that term in clause 10.4(d)(ii)(C).

SUN Trustee Liabilities has the meaning given to that term in clause 10.4(d)(ii)(A).

SUN Trustee Losses has the meaning given to that term in clause 10.4(d)(ii)(B).

Sunset Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Term Loan A has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Term Loan B has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLA Purchasers has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLA Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

TLA Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

TLB Collateral Agent Claim has the meaning given to that term in clause 10.2(d)(ii).

TLB Collateral Agent Deed Poll means each TLB Collateral Agent Deed Poll set out in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme and to be executed by the TLB Collateral Agent in accordance with clause 7(c).

TLB Collateral Agent Demands has the meaning given to that term in clause 10.2(d)(ii)(C).

TLB Collateral Agent Liabilities has the meaning given to that term in clause 10.2(d)(ii)(A).

TLB Collateral Agent Losses has the meaning given to that term in clause 10.2(d)(ii)(B).

TLB Proxy Form means the TLB Proxy Form completed by a TLB Purchaser in accordance with and substantially in the form set out in the Creditors' Schemes Explanatory Statement.

TLB Purchasers has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

TLB Secured Equity Entitlement has the meaning given to that term in the Secured Creditors' Scheme.

TLB Unsecured Equity Entitlement has the meaning given to that term in the Unsecured Creditors' Scheme.

Total New Warrants has the meaning given to that term in the Unsecured Creditors' Scheme.

Transaction Securities means:

- (a) the New Common Equity;
- (b) the Shares to be issued by BLY in accordance with the Share Purchase Plan;
- (c) the Shares to be issued by BLY in accordance with the Creditor Share Purchase Option; and
- (d) the New Warrants.

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by the Scheme Companies and approved by the Court in 2021.

Unsecured Creditors' Scheme Deed Poll has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Scheme Administrator has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Scheme Consideration means the New Common Equity and, if applicable, New Warrants to be issued to Unsecured Scheme Creditors in accordance with clause 8(a) (*Step 1 (Issue of Shares and New Warrants)*).

Unsecured Scheme Creditors has the meaning given to that term in the Unsecured Creditors' Scheme.

Voting Entitlement Record Date has the meaning given to that term in the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

1.2 **Rules for interpreting this document**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party is a reference to a person who is bound by this document, and any person who agrees to be bound whether by deed poll or otherwise;
 - (iv) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;

- (v) a clause, term, schedule or attachment is a reference to a clause or term of, or, schedule or attachment to this document;
- (vi) this document includes all schedules and attachments to it;
- (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment; and
 - (D) any rule or principle of common law or equity,
 and is a reference to that law as amended, supplemented, consolidated, replaced, overruled or applied to new or different facts;
- (viii) an agreement other than this document includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;
- (ix) "**dollars**" or "**US\$**" or "**\$**" is to an amount in the currency of the United States of America unless otherwise indicated;
- (x) "**AU\$**" is to an amount in the currency of the Commonwealth of Australia;
- (xi) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing; and
- (xii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) Unless expressly provided otherwise, an agreement on the part of two or more persons binds them severally.
- (g) Unless expressly provided otherwise, a reference to a date or time is to that date or time in Sydney, New South Wales.
- (h) The expressions **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is several and not joint or joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

1.5 **The rule about "contra proferentem"**

This document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision of it or because that party relies on a provision of this document to protect itself.

2. **THIRD PARTIES**

2.1 **Capacity of the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee**

Any action taken (including the giving of any release) in connection with this document by:

- (a) the Agent, or on its behalf, is done in its capacity as administrative agent or collateral agent, or both, under the Term Loan A or Term Loan B, as the context requires, and not in the Agent's personal capacity;
- (b) the TLB Collateral Agent, or on its behalf, is done in its capacity as collateral agent for the TLB Purchasers, and not in the TLB Collateral Agent's personal capacity or in its capacity as agent or collateral agent for any other person;
- (c) the SSN Trustee, or on its behalf, is done in its capacity as trustee or collateral agent under the SSN Indenture and not in the SSN Trustee's personal capacity; and
- (d) the SUN Trustee, or on its behalf, is done in its capacity as trustee under the SUN Indenture and not in the SUN Trustee's personal capacity.

2.2 **Relationship with Other Documents**

- (a) This document, the RSA and each of the other Restructuring Documents set out the parties' entire understanding of the Restructuring and supersede any previous agreement between any of the parties with respect to the Restructuring.
- (b) In the event of any inconsistency between this document and:
 - (i) the RSA, this document shall prevail, provided that nothing in this document should be interpreted as affecting or limiting any party's consent rights under the RSA; and
 - (ii) any of the other Restructuring Documents, the relevant Restructuring Document shall prevail.

3. **EFFECTIVENESS**

This document in its entirety will become effective and legally binding among the parties, on and from the date on which a Scheme Administrator gives notice to all parties to this document and the Advisers in writing that (the **Execution Effective Date**):

- (a) the Creditors' Schemes Effective Date has occurred;
- (b) a Scheme Administrator (on behalf of the Scheme Administrators and on behalf of the Secured Scheme Creditors and the Unsecured Scheme Creditors, as applicable) has duly executed this document; and
- (c) each of the other parties has duly executed this document.

4. **IMPLEMENTATION**

4.1 **Proposed Implementation Dates**

On the same Business Day as the Execution Effective Date, or as soon as reasonably practicable thereafter, a Scheme Administrator (acting reasonably) must give notice to the Scheme Companies, the Agent, the SSN Trustee, the TLB Collateral Agent, the SUN Trustee, the Incremental Collateral Agent, the Incremental Agent, the Backstop Collateral Agent, the Backstop Agent and the Advisers notifying them of the date on which the Scheme Administrators propose the Implementation Steps:

- (a) in clauses 8(a) to 8(h) (inclusive) to implement the BLY Creditors' Schemes (including the Creditor Share Purchase Option), Share Purchase Plan and Selective Buy-Back will be commenced (the **Proposed Creditors' Scheme Implementation Date**); and
- (b) subject to the Court making the Members' Scheme Second Court Orders, in clauses 8(i) to 8(j) (inclusive) to implement the Members' Scheme will be commenced, which must be a date that is no later than 30 days after the Creditors' Schemes Restructuring Effective Time or such other date as the Scheme Administrators deem reasonably necessary in the circumstances (the **Proposed Members' Scheme Implementation Date**).

4.2 **Timing of BLY Creditors' Scheme Implementation Steps**

- (a) As soon as reasonably practicable after BLY has received notice of the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date, BLY must make a public announcement published on ASX setting out the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date.
- (b) Subject to clause 4.2(c), all of the Implementation Steps set out in clauses 8(a) to 8(h) (inclusive) must occur within 3 Business Days (**Creditors' Implementation Period**) following the Proposed Creditors' Scheme Implementation Date in accordance with their terms.
- (c) If a Scheme Administrator forms the view that not all of the Implementation Steps in clauses 8(a) to 8(h) (inclusive) can be completed during the Creditors' Implementation Period a Scheme Administrator must determine a new Proposed Creditors' Scheme Implementation Date and:
 - (i) a Scheme Administrator must, as soon as reasonably practicable after the change, give notice to the Advisers of the details of that change (including the reasons for it); and

- (ii) BLY as soon as reasonably practicable must make a further public announcement published on ASX setting out the change to the Proposed Creditors' Scheme Implementation Date and the Proposed Members' Scheme Implementation Date.

5. **ALLOCATIONS AND DELIVERY OF TOTAL RESTRUCTURING CONSIDERATION**

Each party's entitlement to the Transaction Securities and funds issued pursuant to the applicable Restructuring Documents and distributed in accordance with the Implementation Steps must be set out in the Allocations Spreadsheet and Funds Flow and shall be calculated as follows:

- (a) each Secured Scheme Creditors' applicable share of the Secured Scheme Consideration shall be determined as set out in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (b) each Unsecured Scheme Creditors' applicable share of the Unsecured Scheme Consideration shall be determined as set out in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (c) the number of new Shares to be issued to each CSPO Creditor under the Creditor Share Purchase Option shall be determined by BLY in accordance with the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the CSPO Allocation Principles;
- (d) the number of new Shares to be issued to each SPP Shareholder under the Share Purchase Plan shall be determined by BLY as set out in the terms of the Share Purchase Plan;
- (e) the Selective Buy-Back Consideration payable to each Selective Buy-Back Shareholder shall be determined by BLY in accordance with the terms of the Selective Buy-Back;
- (f) the Incremental Finance Outgoing Consideration, as set out in the Incremental Finance Pay Out Letter; and
- (g) the Backstop ABL Outgoing Consideration, as set out in the Backstop ABL Pay Out Letter.

6. **MECHANICS OF IMPLEMENTATION STEPS**

6.1 **Definitions, interpretation and undertaking not to make Claims**

- (a) Subject to clause 6.1(c), all releases and discharges in clause 8 are irrevocable at and from the time they are expressed to take effect.
- (b) Anything (including an issue, allotment, release or discharge) occurring under an Implementation Step is binding and effective even if there is no consideration for it.
- (c) Where, in the opinion of the Scheme Administrators, acting reasonably, as a result of a release, discharge, allotment, issue or other event referred to or contemplated by an Implementation Step failing to occur or to take effect, it is not possible to give effect to the intent and purpose of the Restructuring in all material respects:
 - (i) no other release, discharge, allotment, issue or other event referred to or contemplated by the Implementation Steps has effect (including as a result of non-satisfaction of a condition to a released Claim or released obligation, if any), and each such release, discharge, allotment, issue or other event is deemed not to have effect; and

- (ii) each party shall do all things reasonably necessary to put each other party in the position it would have been in if none of the Implementation Steps had occurred. This clause 6.1(c)(ii) survives and continues in effect notwithstanding the effect of clause 12.2 (*Sunset date*).

6.2 **Scheme Administrators' register and certification**

- (a) The Scheme Administrators must keep a register noting the time of completion of the Implementation Steps and a Scheme Administrator must sign it where indicated following completion of each Implementation Step. Each of the register and a copy of the register certified by a Scheme Administrator will be conclusive evidence that the Implementation Step was completed at the time noted in the register.
- (b) As soon as practicable after:
 - (i) completion of the Implementation Steps in clauses 8(a) and 8(b); and
 - (ii) completion of the remaining Implementation Steps in clauses 8(c) to 8(j),

a Scheme Administrator will give a copy of the register showing the status of the completion of the Implementation Steps, certified by the Scheme Administrators, to the Advisers, and the legal advisers of the Incremental Financiers, the legal advisers of the Exit Financier, the legal advisers of the Agent, the legal advisers of the TLB Collateral Agent, the legal advisers of the SSN Trustee and the legal advisers of the SUN Trustee.

7. **PRE-IMPLEMENTATION STEPS**

On and from Scheme Effective Date, prior to any Implementation Step commencing:

- (a) first, the Scheme Administrators must execute and deliver the Secured Creditors' Scheme Deed Poll and the Unsecured Creditors' Scheme Deed Poll;
- (b) second:
 - (i) each TLA Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, each TLB Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the Agent all instructions, consents and directions to execute and deliver the Agent Deed Poll and to perform its obligations under the Agent Deed Poll and the BLY Creditors' Schemes;
 - (ii) each TLB Purchaser which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the TLB Collateral Agent all instructions, consents and directions to execute and deliver the TLB Collateral Agent Deed Poll and to perform its obligations under the TLB Collateral Agent Deed Poll and the BLY Creditors' Schemes;
 - (iii) each SSN Noteholder and the SSN Notes Registered Holder which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the SSN Trustee all instructions, consents and directions to execute and deliver the SSN Trustee Deed Poll and to perform its obligations under the SSN Trustee Deed Poll and the BLY Creditors' Schemes;
 - (iv) each SUN Noteholder and the SUN Notes Registered Holder which is a Secured Scheme Creditor or Unsecured Scheme Creditor, and each Obligor gives the SUN Trustee all instructions, consents and directions to execute and deliver the SUN Trustee Deed Poll and to perform its obligations under the SUN Trustee Deed Poll and the Unsecured Creditors' Scheme; and

- (v) a Scheme Administrator must provide to the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee (as applicable) written notice of the respective instructions and consents referred to this clause 7(b) on behalf of each Secured Scheme Creditor and Unsecured Scheme Creditor (as applicable);
- (c) third, in accordance with the instructions set out in clauses 7(b)(i), 7(b)(ii), 7(b)(iii) and 7(b)(iv) of this document and under the BLY Creditors' Schemes:
 - (i) the Agent will execute and deliver to the Scheme Administrators the Agent Deed Poll;
 - (ii) the TLB Collateral Agent will execute and deliver to the Scheme Administrators the TLB Collateral Agent Deed Poll;
 - (iii) the SSN Trustee will execute and deliver to the Scheme Administrators the SSN Trustee Deed Poll; and
 - (iv) the SUN Trustee will execute and deliver to the Scheme Administrators the SUN Trustee Deed Poll;
- (d) fourth, the Agent shall provide to the Scheme Administrators and BLY a table which shows, according to the Agent's records the amount outstanding under the Term Loan A and Term Loan B as at the Voting Entitlement Record Date;
- (e) fifth, BLY must provide to the Scheme Administrators a table which shows according to BLY's records the full name, postal address and email address of each Secured Scheme Creditor and Unsecured Scheme Creditor; and
- (f) sixth, a Scheme Administrator will:
 - (i) confirm that he or she has a copy of the Allocations Spreadsheet and Funds Flow and in the absence of manifest error, all of the calculations in the Allocations Spreadsheet and Funds Flow shall be final and binding on the parties;
 - (ii) give a copy of the Allocations Spreadsheet to the Advisers, the legal advisers of the Agent, the legal advisers of the TLB Collateral Agent, the legal advisers of the SSN Trustee and the legal advisers of the SUN Trustee; and
 - (iii) give a copy of the Funds Flow to the Advisers, and the legal advisers of the Incremental Financiers and the legal advisers of the Exit Financiers.

8. IMPLEMENTATION STEPS

(a) **Step 1 (Issue of Shares and New Warrants)**

Subject to clause 7, on the Creditors' Scheme Implementation Date, in accordance with clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme and clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme, BLY:

- (i) shall issue to each:
 - (A) TLA Purchaser which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLA Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;

- (B) TLB Purchaser which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLB Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (C) SSN Noteholder which is a Secured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the SSN Secured Equity Entitlement as set forth in clause 7 (*Secured scheme creditor consideration*) of the Secured Creditors' Scheme;
- (D) TLA Purchaser which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLA Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (E) TLB Purchaser which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the TLB Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;
- (F) SSN Noteholder which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of the SSN Unsecured Equity Entitlement, as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme; and
- (G) SUN Noteholder which is an Unsecured Scheme Creditor or their Designated Recipient or the Nominee (as applicable), its applicable share of:
 - (aa) the SUN Equity Entitlement; and
 - (bb) the Total New Warrants,
 as set forth in clause 7 (*Unsecured scheme creditor consideration*) of the Unsecured Creditors' Scheme;

in each case, in the amounts set out in the Allocations Spreadsheet.

(b) **Step 2 (Releases)**

On and from completion of Step 1 (*Issue of Shares and New Warrants*) each of the waivers, releases and discharges in clause 10.1(a) of the Secured Creditors' Scheme and clause 10.1(a) of the Unsecured Creditors' Scheme take effect.

(c) **Step 3 (Exit Financing)**

Immediately after completion of Step 2 (*Releases*) the Exit Financing Facility is made available for drawing and the proceeds of the first drawing are applied in accordance with the Funds Flow to repay the Backstop ABL Outgoing Consideration and the Incremental Finance Outgoing Consideration.

(d) **Step 4 (Share Purchase Plan)**

Immediately after completion of Step 3 (*Exit Financing*), BLY will issue new Shares to each of the SPP Shareholders pursuant to the terms of the Share Purchase Plan.

(e) **Step 5 (Creditor Share Purchase Option)**

Immediately after completion of Step 4 (*Share Purchase Plan*), BLY will issue to each CSPO Creditor the number of Shares allocated to that CSPO Creditor under the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles, provided that BLY has received payment from that CSPO Creditor of the aggregate CSPO Issue Price payable by that CSPO Creditor for those Shares by the date required in the Allocation Confirmation given to that CSPO Creditor.

(f) **Step 6 (Selective Buy-Back)**

(i) Provided that:

- (A) the Selective Buy-Back is approved by BLY Shareholders at the EGM;
- (B) the Members' Scheme is approved by BLY Shareholders; and
- (C) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme have become Effective,

immediately after completion of Step 5 (*Creditor Share Purchase Option*), all of the Shares which BLY elects to purchase under the Selective Buy-Back will be transferred to BLY and cancelled in accordance with the Corporations Act.

(ii) Provided that:

- (A) the Selective Buy-Back is approved by BLY Shareholders at the EGM;
- (B) the Members' Scheme is approved by BLY Shareholders; and
- (C) the Secured Creditors' Scheme and the Unsecured Creditors' Scheme have become Effective,

the Selective Buy-Back Consideration will be paid (by electronic bank transfer or mailing a cheque) to BLY Shareholders on or about 3 Business Days after the Creditors' Schemes Restructuring Effective Time.

(g) **Step 7 (Subordinate Claim Releases)**

Immediately after completion of clause 8(f)(i) of Step 6 (*Selective Buy-Back*) or, if the conditions in sub-clauses 8(f)(i)(A) to 8(f)(i)(C) are not satisfied such that Step 6 (*Selective Buy-Back*) does not proceed, immediately after completion of Step 5 (*Creditor Share Purchase Option*), the releases provided for in clause 10.2 (*Subordinate Claim releases*) of the Unsecured Creditors' Scheme take effect.

(h) **Step 8 (Confirmation of Scheme Restructuring Effective Time)**

Immediately after completion of Step 7 (*Subordinate Claim Releases*):

- (i) BLY will cause the BLY share register to be updated and provide a copy of it to the Scheme Administrators; and
- (ii) a Scheme Administrator will issue a certificate to the Secured Scheme Creditors and the Unsecured Scheme Creditors advising of the Creditors' Schemes Restructuring Effective Time and notifying each Secured Scheme Creditor and each Unsecured Scheme Creditor of their respective shareholdings in BLY.

(i) **Step 9 (Assumption Deed Poll)**

If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act, then the Assumption Deed Poll will take effect on the date that the Members' Scheme becomes effective under section 411(10) of the Corporations Act.

(j) **Step 10 (Members' Scheme Implementation)**

If the Members' Scheme is approved by the Court and becomes effective under section 411(10) of the Corporations Act, then, on the Members' Scheme Implementation Date, the Members' Scheme shall be implemented in accordance with clause 3.1 of the Members' Scheme pursuant to which:

- (i) New BLY Parent will issue to the Authorised Nominee one New BLY Parent Share in respect of each Share held by Re-domiciliation Members on the record date for the Members' Scheme;
- (ii) New BLY Parent will issue or procure the issue to each Re-domiciliation Member or the Sale Agent (as applicable) of one New BLY Parent CDI for each Share held by the Re-domiciliation Member on the record date for the Members' Scheme; and
- (iii) BLY, as agent for each Re-domiciliation Member, will procure the transfer to New BLY Parent of all of the Shares held by each Re-domiciliation Member as at the record date for the Members' Scheme.

9. **HOLDING STATEMENTS**

- (a) BLY will procure that each person who is issued new Shares under the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, the Creditor Share Purchase Option and Share Purchase Plan is sent a holding statement (or equivalent document) on or as soon as practicable after the Creditors' Scheme Implementation Date.
- (b) If the Members' Scheme becomes effective under section 411(10) of the Corporations Act, New BLY Parent will procure that each Re-domiciliation Member is sent a holding statement (or equivalent document) representing the number of New BLY Parent CDIs issued to that Re-domiciliation Member under the Members' Scheme within one Business Day following the Members' Scheme Implementation Date.

10. **THE AGENT, THE TLB COLLATERAL AGENT, THE SSN TRUSTEE, THE SUN TRUSTEE, THE BACKSTOP AGENT, THE BACKSTOP COLLATERAL AGENT, THE INCREMENTAL AGENT AND THE INCREMENTAL COLLATERAL AGENT**

10.1 **The Agent**

- (a) The Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Term Loan A and Term Loan B are responsible for their own management functions and decisions relating to the performance of any duty or function by the Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Agent may rely on and assume that (and shall not be required to verify):

- (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the Agent Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the Agent to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
- (i) If the Agent does not perform any of its obligations under this document and the Agent Deed Poll, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.1(d) only applies to the extent the restriction in the first sentence in this clause 10.1(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Agent is not, in the performance or exercise of its obligations, functions and duties under this document or the Agent Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the Agent Deed Poll (**Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.1(d)(ii) and subject to clause 10.1(d)(v) and to the extent permitted by law:
 - (A) the liability of the Agent to any other party in respect of any Agent Claim is limited to the extent that the Agent is entitled and able to recover the amount of that liability pursuant to the Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Agent Claim may be made against the Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Agent's liability applies despite any other provision of this document or the Agent Deed Poll and extends to all liabilities and obligations of the Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the Agent Deed Poll.
 - (iv) Each party agrees and acknowledges that it will not, in respect of any Agent Claim:

- (A) subject to clause 10.1(d)(v), bring proceedings against the Agent for any Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the Creditors' Schemes Finance Documents) appointed to the Agent or its assets.
- (v) The limitation in clause 10.1(d)(iii) does not apply in respect of an Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Creditors' Schemes Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Agent Claim.
- (vi) This clause 10.1(d) survives completion or termination of this document, the Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Agent for:
 - (A) all Agent Liabilities, Agent Losses and Agent Demands (as defined in clause 10.1(d)); and
 - (B) all personal liability that the Agent may incur in respect of,

the execution of and performance of obligations under, this document and the Agent Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.1(e)(i) is without limitation as to time notwithstanding the removal of the Agent as administrative agent or collateral agent under the Creditors' Schemes Finance Documents and the appointment of a replacement administrative agent or collateral agent, the resignation of the Agent or the termination of this document, the Agent Deed Poll, the Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.
 - (iii) The indemnity under clause 10.1(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Agent and shall extend to all actions, suits, proceedings, accounts, Agent Liabilities, Agent Claims and Agent Demands arising in any way out of any defect in the appointment of the Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Agent may have against any other person to be indemnified against the Costs, Agent Losses and Agent Liabilities incurred by the Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Agent by or in connection with the Creditors' Schemes Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

10.2 TLB Collateral Agent

- (a) TLB Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to the Term Loan B, SSN Indenture and Incremental Finance Documents are responsible for their own management functions and decisions relating to the performance of any duty or function by TLB Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, TLB Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) TLB Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the TLB Collateral Agent Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for TLB Collateral Agent to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the TLB Collateral Agent does not perform any of its obligations under this document and the TLB Collateral Agent Deed Poll, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.2(d) only applies to the extent the restriction in the first sentence in this clause 10.2(d)(i) is unenforceable or invalid for any reason.
 - (ii) The TLB Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document or the TLB Collateral Agent Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the TLB Collateral Agent Deed Poll (**TLB Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**TLB Collateral Agent Liabilities**);

- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**TLB Collateral Agent Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**TLB Collateral Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.2(d)(ii) and subject to clause 10.2(d)(v) and to the extent permitted by law:
 - (A) the liability of the TLB Collateral Agent to any other party in respect of any TLB Collateral Agent Claim is limited to the extent that the TLB Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further TLB Collateral Agent Claim may be made against the TLB Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the TLB Collateral Agent's liability applies despite any other provision of this document or the TLB Collateral Agent Deed Poll and extends to all liabilities and obligations of the TLB Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the TLB Collateral Agent Deed Poll.
- (iv) Each party agrees and acknowledges that it will not, in respect of any TLB Collateral Agent Claim:
 - (A) subject to clause 10.2(d)(v), bring proceedings against the TLB Collateral Agent for any TLB Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the Creditors' Schemes Finance Documents) appointed to the TLB Collateral Agent or its assets.
- (v) The limitation in clause 10.2(d)(iii) does not apply in respect of a TLB Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the TLB Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the TLB Collateral Agent Claim.

(vi) This clause 10.2(d) survives completion or termination of this document, the TLB Collateral Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

(e) **(Indemnity)**

(i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the TLB Collateral Agent for:

(A) all TLB Collateral Agent Liabilities, TLB Collateral Agent Losses and TLB Collateral Agent Demands (as defined in clause 10.2(d)); and

(B) all personal liability that the TLB Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document and the TLB Collateral Agent Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.

(ii) The indemnity under clause 10.2(e)(i) is without limitation as to time notwithstanding the removal of the TLB Collateral Agent as trustee or collateral agent under the Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the TLB Collateral Agent or the termination of this document, the TLB Collateral Agent Deed Poll, the Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

(iii) The indemnity under clause 10.2(e) shall not:

(A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the TLB Collateral Agent and shall extend to all actions, suits, proceedings, accounts, TLB Collateral Agent Liabilities, TLB Collateral Agent Claims and TLB Collateral Agent Demands arising in any way out of any defect in the appointment of the TLB Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

(B) affect or prejudice all or any rights that the TLB Collateral Agent may have against any other person to be indemnified against the Costs, TLB Collateral Agent Losses and TLB Collateral Agent Liabilities incurred by the TLB Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the TLB Collateral Agent by or in connection with the Creditors' Schemes Finance Documents.

(iv) This indemnity survives completion or termination of this document, the TLB Collateral Agent Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Creditors' Schemes Finance Documents.

10.3 **The SSN Trustee**

(a) The SSN Trustee's duties and functions under this document are solely mechanical and administrative in nature. The other parties to SSN Indenture are responsible for their own management functions and decisions relating to the performance of any duty or function by the SSN Trustee under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the SSN Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The SSN Trustee may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the SSN Trustee Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the SSN Trustee to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the SSN Trustee does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.3(d) only applies to the extent the restriction in the first sentence in this clause 10.3(d)(i) is unenforceable or invalid for any reason.
 - (ii) The SSN Trustee is not, in the performance or exercise of its obligations, functions and duties under this document or the SSN Trustee Deed Poll, personally liable for:
 - (A) any cause of action, claim or loss arising under this document or the SSN Trustee Deed Poll (**SSN Trustee Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**SSN Trustee Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**SSN Trustee Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**SSN Trustee Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.3(d)(ii) and subject to clause 10.3(d)(v) and to the extent permitted by law:
 - (A) the liability of the SSN Trustee to any other party in respect of any SSN Trustee Claim is limited to the extent that the SSN Trustee is entitled and able to recover the amount of that liability pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further SSN Trustee Claim may be made against the SSN Trustee for any amount outstanding after exercise of such rights; and

- (C) this limitation of the SSN Trustee's liability applies despite any other provision of this document or the SSN Trustee Deed Poll and extends to all liabilities and obligations of the SSN Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the SSN Trustee Deed Poll.
 - (iv) Each party agrees and acknowledges that it will not, in respect of any SSN Trustee Claim:
 - (A) subject to clause 10.3(d)(v), bring proceedings against the SSN Trustee for any SSN Trustee Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the SSN Indenture) appointed to the SSN Trustee or its assets.
 - (v) The limitation in clause 10.3(d)(iii) does not apply in respect of a SSN Trustee Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the SSN Indenture or any other Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the SSN Trustee acting negligently, with wilful misconduct or fraudulently giving rise to the SSN Trustee Claim.
 - (vi) This clause 10.3(d) survives completion or termination of this document, the SSN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the SSN Indenture, and any other Creditors' Schemes Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the SSN Trustee for:
 - (A) all SSN Trustee Liabilities, SSN Trustee Losses and SSN Trustee Demands (as defined in clause 10.3(d)); and
 - (B) all personal liability that the SSN Trustee may incur in respect of,

the execution of and performance of obligations under, this document and the SSN Trustee Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.3(e)(i) is without limitation as to time notwithstanding the removal of the SSN Trustee as trustee or collateral agent under the SSN Indenture or any other Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the SSN Trustee or the termination of this document, the SSN Trustee Deed Poll, the SSN Indenture, any other Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.3(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the SSN Trustee and shall extend to all actions, suits, proceedings, accounts, SSN Trustee Liabilities, SSN Trustee Claims and SSN Trustee Demands arising in any way out of any defect in the appointment of the SSN Trustee, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the SSN Trustee may have against any other person to be indemnified against the Costs, SSN Trustee Losses and SSN Trustee Liabilities incurred by the SSN Trustee in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the SSN Trustee by or in connection with the Creditors' Schemes Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the SSN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, and the SSN Indenture, and any other Creditors' Schemes Finance Documents.

10.4 **The SUN Trustee**

- (a) The SUN Trustee's duties and functions under this document are solely mechanical and administrative in nature. The other parties to SUN Indenture are responsible for their own management functions and decisions relating to the performance of any duty or function by the SUN Trustee under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the SUN Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The SUN Trustee may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to the SUN Trustee Deed Poll or any other Restructuring Document includes such powers and authorities as are sufficient for the SUN Trustee to comply with any instruction or otherwise execute any and all Restructuring Documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the SUN Trustee does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.4(d) only applies to the extent the restriction in the first sentence in this clause 10.4(d)(i) is unenforceable or invalid for any reason.
 - (ii) The SUN Trustee is not, in the performance or exercise of its obligations, functions and duties under this document or the SUN Trustee Deed Poll, personally liable for:

- (A) any cause of action, claim or loss arising under this document or the SUN Trustee Deed Poll (**SUN Trustee Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**SUN Trustee Liabilities**);
- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**SUN Trustee Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**SUN Trustee Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.4(d)(ii) and subject to clause 10.4(d)(v) and to the extent permitted by law:
 - (A) the liability of the SUN Trustee to any other party in respect of any SUN Trustee Claim is limited to the extent that the SUN Trustee is entitled and able to recover the amount of that liability pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further SUN Trustee Claim may be made against the SUN Trustee for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the SUN Trustee's liability applies despite any other provision of this document or the SUN Trustee Deed Poll and extends to all liabilities and obligations of the SUN Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document or the SUN Trustee Deed Poll.
- (iv) Each party agrees and acknowledges that it will not, in respect of any SUN Trustee Claim:
 - (A) subject to clause 10.4(d)(v), bring proceedings against the SUN Trustee for any SUN Trustee Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law (as defined in the SUN Indenture) appointed to the SUN Trustee or its assets.
- (v) The limitation in clause 10.4(d)(iii) does not apply in respect of a SUN Trustee Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents; or
 - (B) the actual amount recoverable pursuant to the SUN Indenture or any other Creditors' Schemes Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the SUN Trustee acting negligently, with wilful misconduct or fraudulently giving rise to the SUN Trustee Claim.

- (vi) This clause 10.4(d) survives completion or termination of this document, the SUN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the SUN Indenture, and any other Creditors' Schemes Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the SUN Trustee for:

- (A) all SUN Trustee Liabilities, SUN Trustee Losses and SUN Trustee Demands (as defined in clause 10.4(d)); and

- (B) all personal liability that the SUN Trustee may incur in respect of,

the execution of and performance of obligations under, this document and the SUN Trustee Deed Poll, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.4(e)(i) is without limitation as to time notwithstanding the removal of the SUN Trustee as trustee or collateral agent under the SUN Indenture or any other Creditors' Schemes Finance Documents and the appointment of a replacement trustee or collateral agent, the resignation of the SUN Trustee or the termination of this document, the SUN Trustee Deed Poll, the SUN Indenture, any other Creditors' Schemes Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.4(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the SUN Trustee and shall extend to all actions, suits, proceedings, accounts, SUN Trustee Liabilities, SUN Trustee Claims and SUN Trustee Demands arising in any way out of any defect in the appointment of the SUN Trustee, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the SUN Trustee may have against any other person to be indemnified against the Costs, SUN Trustee Losses and SUN Trustee Liabilities incurred by the SUN Trustee in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the SUN Trustee by or in connection with the Creditors' Schemes Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the SUN Trustee Deed Poll, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme, and the SUN Indenture, and any other Creditors' Schemes Finance Documents.

10.5 **The Backstop Agent**

- (a) The Backstop Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Existing Backstop ABL are

responsible for their own management functions and decisions relating to the performance of any duty or function by the Backstop Agent under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the Backstop Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Backstop Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Backstop Finance Documents includes such powers and authorities as are sufficient for the Backstop Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Backstop Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.5(d) only applies to the extent the restriction in the first sentence in this clause 10.5(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Backstop Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Backstop Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Backstop Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Backstop Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Backstop Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.5(d)(ii) and subject to clause 10.5(d)(v) and to the extent permitted by law:
 - (A) the liability of the Backstop Agent to any other party in respect of any Backstop Agent Claim is limited to the extent that the Backstop Agent is entitled and able to recover the amount of that liability pursuant to the Backstop Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);

- (B) no further Backstop Agent Claim may be made against the Backstop Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Backstop Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Backstop Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Backstop Agent Claim:
- (A) subject to clause 10.5(d)(v), bring proceedings against the Backstop Agent for any Backstop Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Backstop Agent or its assets.
- (v) The limitation in clause 10.5(d)(iii) does not apply in respect of a Backstop Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Backstop Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Backstop Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Backstop Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Backstop Agent Claim.
- (vi) This clause 10.5(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Backstop Agent for:
 - (A) all Backstop Agent Liabilities, Backstop Agent Losses and Backstop Agent Demands (as defined in clause 10.5(d)); and
 - (B) all personal liability that the Backstop Agent may incur in respect of, the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.5(e)(i) is without limitation as to time notwithstanding the removal of the Backstop Agent as agent under the Backstop Finance Documents and the appointment of a replacement agent, the resignation of the Backstop Agent or the termination of this document, the Backstop Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.
 - (iii) The indemnity under clause 10.5(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Backstop Agent and shall extend to all actions, suits, proceedings, accounts, Backstop Agent Liabilities, Backstop Agent Claims and Backstop Agent Demands arising in any way out of any defect in the appointment of the Backstop Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the Backstop Agent may have against any other person to be indemnified against the Costs, Backstop Agent Losses and Backstop Agent Liabilities incurred by the Backstop Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Backstop Agent by or in connection with the Backstop Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

10.6 **The Backstop Collateral Agent**

- (a) The Backstop Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Existing Backstop ABL are responsible for their own management functions and decisions relating to the performance of any duty or function by the Backstop Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Backstop Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Backstop Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Backstop Finance Documents includes such powers and authorities as are sufficient for the Backstop Collateral Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Backstop Collateral Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.6(d) only applies to the extent the restriction in the first sentence in this clause 10.6(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Backstop Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:

- (A) any cause of action, claim or loss arising under this document (**Backstop Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Backstop Collateral Agent Liabilities**);
- (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Backstop Collateral Agent Losses**); or
- (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Backstop Collateral Agent Demands**),

whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.

- (iii) Without in any way limiting clause 10.6(d)(ii) and subject to clause 10.6(d)(v) and to the extent permitted by law:
 - (A) the liability of the Backstop Collateral Agent to any other party in respect of any Backstop Collateral Agent Claim is limited to the extent that the Backstop Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Backstop Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Backstop Collateral Agent Claim may be made against the Backstop Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Backstop Collateral Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Backstop Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Backstop Collateral Agent Claim:
 - (A) subject to clause 10.6(d)(v), bring proceedings against the Backstop Collateral Agent for any Backstop Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Backstop Collateral Agent or its assets.
- (v) The limitation in clause 10.6(d)(iii) does not apply in respect of a Backstop Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Backstop Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Backstop Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the Backstop Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Backstop Collateral Agent Claim.

- (vi) This clause 10.6(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Backstop Collateral Agent for:

- (A) all Backstop Collateral Agent Liabilities, Backstop Collateral Agent Losses and Backstop Collateral Agent Demands (as defined in clause 10.6(d)); and

- (B) all personal liability that the Backstop Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.6(e)(i) is without limitation as to time notwithstanding the removal of the Backstop Collateral Agent as collateral agent under the Backstop Finance Documents and the appointment of a replacement collateral agent, the resignation of the Backstop Collateral Agent or the termination of this document, the Backstop Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.6(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Backstop Collateral Agent and shall extend to all actions, suits, proceedings, accounts, Backstop Collateral Agent Liabilities, Backstop Collateral Agent Claims and Backstop Collateral Agent Demands arising in any way out of any defect in the appointment of the Backstop Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Backstop Collateral Agent may have against any other person to be indemnified against the Costs, Backstop Collateral Agent Losses and Backstop Collateral Agent Liabilities incurred by the Backstop Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Backstop Collateral Agent by or in connection with the Backstop Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Backstop Finance Documents.

10.7 The Incremental Agent

- (a) The Incremental Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to Incremental Finance Facility are responsible for their own management functions and decisions relating

to the performance of any duty or function by the Incremental Agent under this document.

- (b) Notwithstanding any other provision of this document to the contrary, the Incremental Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Incremental Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Incremental Finance Documents includes such powers and authorities as are sufficient for the Incremental Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Incremental Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.7(d) only applies to the extent the restriction in the first sentence in this clause 10.7(d)(i) is unenforceable or invalid for any reason.
 - (ii) The Incremental Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Incremental Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Incremental Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Incremental Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Incremental Agent Demands**),whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
 - (iii) Without in any way limiting clause 10.7(d)(ii) and subject to clause 10.7(d)(v) and to the extent permitted by law:
 - (A) the liability of the Incremental Agent to any other party in respect of any Incremental Agent Claim is limited to the extent that the Incremental Agent is entitled and able to recover the amount of that liability pursuant to the Incremental Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);

- (B) no further Incremental Agent Claim may be made against the Incremental Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Incremental Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Incremental Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Incremental Agent Claim:
- (A) subject to clause 10.7(d)(v), bring proceedings against the Incremental Agent for any Incremental Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Incremental Agent or its assets.
- (v) The limitation in clause 10.7(d)(iii) does not apply in respect of an Incremental Agent Claim to the extent that:
- (A) the right of indemnity, exoneration or recoupment pursuant to the Incremental Finance Documents; or
 - (B) the actual amount recoverable pursuant to the Incremental Finance Documents in exercise of those rights,
- is reduced (in whole or in part) or does not exist, as a result of the Incremental Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Incremental Agent Claim.
- (vi) This clause 10.7(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.
- (e) **(Indemnity)**
- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Incremental Agent for:
 - (A) all Incremental Agent Liabilities, Incremental Agent Losses and Incremental Agent Demands (as defined in clause 10.7(d)); and
 - (B) all personal liability that the Incremental Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.
 - (ii) The indemnity under clause 10.7(e)(i) is without limitation as to time notwithstanding the removal of the Incremental Agent as agent under the Incremental Finance Documents and the appointment of a replacement agent, the resignation of the Incremental Agent or the termination of this document, the Incremental Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.7(e) shall not:
 - (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Incremental Agent and shall extend to all actions, suits, proceedings, accounts, Incremental Agent Liabilities, Incremental Agent Claims and Incremental Agent Demands arising in any way out of any defect in the appointment of the Incremental Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or
 - (B) affect or prejudice all or any rights that the Incremental Agent may have against any other person to be indemnified against the Costs, Incremental Agent Losses and Incremental Agent Liabilities incurred by the Incremental Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Incremental Agent by or in connection with the Incremental Finance Documents.
- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

10.8 **The Incremental Collateral Agent**

- (a) The Incremental Collateral Agent's duties and functions under this document are solely mechanical and administrative in nature. The other parties to the Incremental Finance Facility are responsible for their own management functions and decisions relating to the performance of any duty or function by the Incremental Collateral Agent under this document.
- (b) Notwithstanding any other provision of this document to the contrary, the Incremental Collateral Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any applicable law or regulation.
- (c) The Incremental Collateral Agent may rely on and assume that (and shall not be required to verify):
 - (i) any representation, notice, confirmation or other document or information delivered to it is genuine, complete, correct and appropriately authorised;
 - (ii) any statement, confirmation or representation made by a director, authorised signatory, employee or otherwise on behalf of any person in accordance with this document regarding any matters is within that person's knowledge and/or within that person's power to verify; and
 - (iii) the authority granted pursuant to Incremental Finance Documents includes such powers and authorities as are sufficient for the Incremental Collateral Agent to comply with any instruction or otherwise execute any and all documents necessary to give effect to the Restructuring.
- (d) **(Limitation of liability)**
 - (i) If the Incremental Collateral Agent does not perform any of its obligations under this document, the parties may choose to proceed for specific performance; but may not seek damages for the default. The remainder of this clause 10.8(d) only applies to the extent the restriction in the first sentence in this clause 10.8(d)(i) is unenforceable or invalid for any reason.

- (ii) The Incremental Collateral Agent is not, in the performance or exercise of its obligations, functions and duties under this document, personally liable for:
 - (A) any cause of action, claim or loss arising under this document (**Incremental Collateral Agent Claim**) or obligations of any kind whatsoever incurred by or on behalf of the parties (**Incremental Collateral Agent Liabilities**);
 - (B) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Incremental Collateral Agent Losses**); or
 - (C) any actions, suits, proceedings, accounts, Claims or demands arising out of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme which may be commenced, incurred by or made by any person and all costs incurred in respect thereof (**Incremental Collateral Agent Demands**),whether before, during or after the date of this document, unless attributable to fraud, wilful misconduct, or gross negligence.
- (iii) Without in any way limiting clause 10.8(d)(ii) and subject to clause 10.8(d)(v) and to the extent permitted by law:
 - (A) the liability of the Incremental Collateral Agent to any other party in respect of any Incremental Collateral Agent Claim is limited to the extent that the Incremental Collateral Agent is entitled and able to recover the amount of that liability pursuant to the Incremental Finance Documents (after first deducting the costs of exercising its right of indemnity or exoneration);
 - (B) no further Incremental Collateral Agent Claim may be made against the Incremental Collateral Agent for any amount outstanding after exercise of such rights; and
 - (C) this limitation of the Incremental Collateral Agent's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Incremental Collateral Agent in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (iv) Each party agrees and acknowledges that it will not, in respect of any Incremental Collateral Agent Claim:
 - (A) subject to clause 10.8(d)(v), bring proceedings against the Incremental Collateral Agent for any Incremental Collateral Agent Claim or amount that is not provided for in this clause; or
 - (B) seek to have a trustee, assignee, liquidator, provisional liquidator, administrator, custodian, controller, sequestrator, receiver, receiver and manager or similar official appointed to the Incremental Collateral Agent or its assets.
- (v) The limitation in clause 10.8(d)(iii) does not apply in respect of an Incremental Collateral Agent Claim to the extent that:
 - (A) the right of indemnity, exoneration or recoupment pursuant to the Incremental Finance Documents; or

- (B) the actual amount recoverable pursuant to the Incremental Finance Documents in exercise of those rights,

is reduced (in whole or in part) or does not exist, as a result of the Incremental Collateral Agent acting negligently, with wilful misconduct or fraudulently giving rise to the Incremental Collateral Agent Claim.

- (vi) This clause 10.8(d) survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

(e) **(Indemnity)**

- (i) BLY, the other Scheme Companies and New BLY Parent shall jointly and severally indemnify the Incremental Collateral Agent for:

- (A) all Incremental Collateral Agent Liabilities, Incremental Collateral Agent Losses and Incremental Collateral Agent Demands (as defined in clause 10.8(d)); and

- (B) all personal liability that the Incremental Collateral Agent may incur in respect of,

the execution of and performance of obligations under, this document, unless attributable to fraud, wilful misconduct or gross negligence.

- (ii) The indemnity under clause 10.8(e)(i) is without limitation as to time notwithstanding the removal of the Incremental Collateral Agent as collateral agent under the Incremental Finance Documents and the appointment of a replacement collateral agent, the resignation of the Incremental Collateral Agent or the termination of this document, the Incremental Finance Documents, the Secured Creditors' Scheme or the Unsecured Creditors' Scheme for any reason whatsoever.

- (iii) The indemnity under clause 10.8(e) shall not:

- (A) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Incremental Collateral Agent and shall extend to all actions, suits, proceedings, accounts, Incremental Collateral Agent Liabilities, Incremental Collateral Agent Claims and Incremental Collateral Agent Demands arising in any way out of any defect in the appointment of the Incremental Collateral Agent, the approval and implementation of the Secured Creditors' Scheme or the Unsecured Creditors' Scheme or otherwise; or

- (B) affect or prejudice all or any rights that the Incremental Collateral Agent may have against any other person to be indemnified against the Costs, Incremental Collateral Agent Losses and Incremental Collateral Agent Liabilities incurred by the Incremental Collateral Agent in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Incremental Collateral Agent by or in connection with the Incremental Finance Documents.

- (iv) This indemnity survives completion or termination of this document, the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Incremental Finance Documents.

11. **LIABILITY OF SCHEME ADMINISTRATORS**

11.1 **Liability**

The Scheme Administrators are not, in the performance or exercise of its powers, obligations, functions and duties under this document, personally liable for:

- (a) any Claims or obligations of any kind whatsoever incurred by or on behalf of any party including, without limitation, any monies borrowed and interest thereon and any contracts adopted or otherwise agreed and any Stamp Duty payable on this document and any tax liable to be remitted or otherwise paid (**Liabilities**);
- (b) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Losses**); or
- (c) any actions, suits, proceedings, accounts, Claims or demands arising out of this document which may be commenced, incurred by or made by any person and all Costs incurred in respect thereof (**Demands**),

whether before, during or after the Execution Effective Date, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

11.2 **Indemnity**

- (a) The Scheme Companies shall indemnify each Scheme Administrator for:
 - (i) all Liabilities, Losses and Demands (as defined in clause 11.1); and
 - (ii) all personal liability that a Scheme Administrator may incur in respect of his or her role as Scheme Administrator,unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.
- (b) The indemnity under clause 11.2(a) takes effect on and from the Execution Effective Date and is without limitation as to time notwithstanding the removal of a Scheme Administrator and the appointment of a replacement Scheme Administrator, the resignation of a Scheme Administrator or the termination of this document for any reason whatsoever.
- (c) The indemnity under clause 11.2(a) shall not:
 - (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of a Scheme Administrator and shall extend to all actions, suits, proceedings, accounts, Liabilities, Claims and Demands arising in any way out of any defect in the appointment of a Scheme Administrator, the approval and implementation of this document or otherwise; or
 - (ii) affect or prejudice all or any rights that a Scheme Administrator may have against any other person to be indemnified against the Costs, Losses and Liabilities incurred by a Scheme Administrator in, or incidental to the exercise or performance of any of the powers or authorities conferred on a Scheme Administrator by or in connection with this document.
- (d) This indemnity survives completion or termination of this document.

12. **TERMINATION**

12.1 **Complete implementation**

This document will terminate following the completion of each of the Implementation Steps.

12.2 **Sunset date**

If the Creditors' Schemes Restructuring Effective Time has not occurred by 11.59 pm on the Sunset Date, then with effect from that time, this document will not be capable of implementation and this document will lapse, terminate and be of no further force or effect.

12.3 **Obligations on termination**

- (a) If this document is terminated, all obligations of the parties under this document, other than clauses 6.1(c)(ii), 10.1(d) (*Limitation of liability*), 10.1(e) (*Indemnity*), 10.2(d) (*Limitation of liability*), 10.2(e) (*Indemnity*), 10.3(d) (*Limitation of liability*), 10.3(e) (*Indemnity*), 10.4(d) (*Limitation of liability*), 10.4(e) (*Indemnity*), 10.5(d) (*Limitation of liability*), 10.5(e) (*Indemnity*), 10.6(d) (*Limitation of liability*), 10.6(e) (*Indemnity*), 10.7(d) (*Limitation of liability*), 10.7(e) (*Indemnity*), 10.8(d) (*Limitation of liability*), 10.8(e) (*Indemnity*), 11 (*Liability of Scheme Administrators*), 14 (*Representations and warranties*), 15 (*GST*), 16 (*Notices*), 17 (*General*), immediately cease to be of further effect.
- (b) The termination of this document does not affect any Claim that a party may have against another party where that Claim arose before this document is terminated.

13. **VARIATIONS BY THE COURT**

Each party shall be bound by any alterations or conditions to this document required by the Court under section 411(6) of the Corporations Act, provided the alterations or conditions do not change the substance of this document in any material respect or impose unduly onerous obligations on any of the parties, acting reasonably.

14. **REPRESENTATIONS AND WARRANTIES**

14.1 **Mutual representations and warranties**

Each party represents and warrants to each other party that:

- (a) **(status)** it is a validly existing corporation under the laws of its place of incorporation;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions that this document contemplates in accordance with its terms; and
- (d) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms.

14.2 **Reliance on representations and warranties**

Each party acknowledges that each other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clause 14.1.

14.3 **When warranties are given**

Each representation and warranty given or made under clause 14.1 is given:

- (a) as at the date of this document; and
- (b) at any other date at which the representation or warranty is expressed to be given under this document.

15. **GST**

15.1 **GST pass on**

If GST is or will be payable on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount for GST on the supply:

- (a) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and
- (b) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.

15.2 **Tax Invoice**

The right of the supplier to recover any amount in respect of GST under this document on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient.

15.3 **Consideration exclusive of GST**

Any consideration otherwise provided for a supply or payment obligation in connection with this document is exclusive of GST unless stated otherwise.

15.4 **Adjustments**

If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier within 14 days of becoming aware of the adjustment event:

- (a) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
- (b) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply to the extent that the supplier is entitled to a refund or credit from the Commissioner of Taxation.

15.5 Reimbursements

Costs actually or estimated to be incurred or revenue actually or estimated to be earned or lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and in relation to revenue must exclude any amount in respect of GST referable to the revenue.

16. NOTICES

16.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it (which includes typing the person's name in an email);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) sent by pre-paid mail (by airmail, if the addressee is overseas) or delivered to that person's address;
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full without error; or
 - (iii) sent in electronic form (such as email).

16.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is sent by fax or delivered, if received:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day;
- (b) if it is sent by mail:
 - (i) within Australia - three Business Days after posting; or
 - (ii) to or from a place outside Australia - seven Business Days after posting; and
- (c) if it is sent in electronic form - when the sender receives confirmation on its server that the message has been transmitted:
 - (i) if it is transmitted by 5.00 pm (Sydney time) on a Business Day - on that Business Day; or
 - (ii) if it is transmitted after 5.00 pm (Sydney time) on a Business Day, or on a day that is not a Business Day - on the next Business Day.

16.3 **Address for notices**

A person's mail and email address are those set out below, or as the person notifies the sender:

BLY / Scheme Companies

As set out in the table in the column "Notice details" in schedule 1.

Secured Scheme Creditors

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Unsecured Scheme Creditors

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Scheme Administrators

Address: FTI Consulting, Level 22, Gateway, 1 Macquarie Place, Sydney NSW 2000

Email Address: chris.hill@fticonsulting.com and david.mcgrath@fticonsulting.com

Attention: Chris Hill and David McGrath

Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890

Email Address: JFeil@WilmingtonTrust.com

Phone: +1-302-636-6466

Fax: +1-302-636-4145

Attention: Joseph B. Feil

TLB Collateral Agent

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003

Email Address: mary.ambrizreyes@usbank.com

Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402

Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com

Attention: Michael B. Fisco and Peter Kieselbach

SSN Trustee

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003

Email Address: mary.ambrizreyes@usbank.com

Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402
Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com
Attention: Michael B. Fisco and Peter Kieselbach

SUN Trustee

Address: Delaware Trust Company
251 Little Falls Drive
Wilmington, Delaware 19808
Email Address: trust@delawaretrust.com
Attention: Trust Administration

With a copy to:

Address: Golenbock Eiseman Assor Bell & Peskoe LLP
711 Third Avenue, 17th Floor
New York, New York 10017
Email Address: jflaxer@golenbock.com
Attention: Jonathan L. Flaxer

New BLY Parent

Address: 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in
the State of South Australia
Email Address: nora.pincus@boartlongyear.com
Attention: Nora Pincus

With a copy to:

Address: c/o Ashurst
Level 11, 5 Martin Place, Sydney, NSW 2000
Email Address: James.Marshall@ashurst.com and Alinta.Kemeny@ashurst.com
Attention: James Marshall and Alinta Kemeny

Incremental Financiers

As set out in the table in the column "Notice details" in schedule 1.

Incremental Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

Incremental Collateral Agent

Address: U.S. National Association
Global Corporate Trust
101 North First Avenue, Suite 1600
Phoenix, AZ 85003
Email Address: mary.ambrizreyes@usbank.com
Attention: Mary Ambriz-Reyes

With a copy to:

Address: Greenberg Traurig, LLP
90 South 7th Street, Suite 3500
Minneapolis, MN 55402
Email Address: fiscom@gtlaw.com and kieselbachp@gtlaw.com
Attention: Michael B. Fisco and Peter Kieselbach

Existing Backstop ABL Financiers

As set out in the in the column "Notice details" in table in Schedule 1.

Backstop Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

Backstop Collateral Agent

Address: Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Email Address: JFeil@WilmingtonTrust.com
Phone: +1-302-636-6466
Fax: +1-302-636-4145
Attention: Joseph B. Feil

17. **GENERAL**

17.1 **Giving effect to this document**

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

17.2 **Governing Law**

- (a) This document is governed by the laws of the State of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

17.3 **Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

17.4 **No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

17.5 **Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), unless this document expressly contemplates otherwise, the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions.

17.6 **Counterparts**

This document may be executed in counterparts. Delivery of a counterpart of this document by email attachment constitutes an effective mode of delivery.

SCHEDULE 1

1. Parties

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
Scheme Companies			
Boart Longyear Limited	ACN 123 052 728	Address: 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport in the State of South Australia Email: nora.pincus@boartlongyear.com With a copy to: c/o Ashurst Level 11, 5 Martin Place, Sydney, NSW 2000 Email Address: James.Marshall@ashurst.com Alinta.Kemeny@ashurst.com Attention: James Marshall and Alinta Kemeny	BLY
Boart Longyear Management Pty Limited	ACN 123 283 545		BLY Issuer
Boart Longyear Australia Pty Ltd	ACN 000 401 025		BLA
Boart Longyear Investments Pty Limited	ACN 124 070 373		BLI
Votraint No. 1609 Pty Limited	ACN 119 244 272		Votraint
BL Capital Management LLC	ARBN 649 445 321		BCM
BLY US Holdings Inc.	ARBN 649 445 394		BLY US
Incremental Financiers			
Corre Opportunities Qualified Master Fund, LP		c/o Corre Partners Management, LLC Email: john@correpartners.com and skapadia@correpartners.com Attention: John Barrett and Saurabh Kapadia 12 E. 49th St., 40th Fl. New York, NY 10017 United States - with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Email: arosenberg@paulweiss.com, emccolm@paulweiss.com,	
Corre Horizon Fund, LP			

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Willkie Farr & Gallagher LLP</p> <p>787 Seventh Avenue New York, NY 10019</p> <p>Attention: Brian Lennon</p> <p>Facsimile: 212-728-9295 Email: blennon@willkie.com</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to –</p> <p>Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au</p>	
<p>First Pacific Advisors, LP, (as investment advisor of Motion Picture Industry Health Plan (Active), Motion Picture Industry Health Plan (Retiree), Motion Picture Industry Individual Account Plan, The Health Plan of West Virginia, Inc., The Nature Conservancy)</p>		<p>c/o First Pacific Advisors, LP Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com Attention: Eric Brown, Abhi Patwardhan and Joe Choi 11601 Wilshire Boulevard, Suite 1200 Los Angeles, California 90025 United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang 1285 Avenue of the Americas New York, NY 10019 United States</p>	
<p>FPA New Income, Inc.</p>		<p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin Email: DEmmett@gtlaw.com.au Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney Email: David.Clee@CliffordChance.com Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 Attention: Brian Lennon Facsimile: 212-728-9295 Email: blennon@willkie.com</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au</p>	
Nut Tree Capital Management LP, (as investment advisor of Nut Tree Master Fund, LP)		<p>c/o Nut Tree Capital Management Email: ssilver@nuttreecapital.com Attention: Scott Silver 55 Hudson Yards, 22 FL New York, NY 10001 United States</p> <p>- with a copy, which shall not constitute notice, to –</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Willkie Farr & Gallagher LLP</p> <p>787 Seventh Avenue New York, NY 10019 Attention: Brian Lennon</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		Facsimile: 212-728-9295 Email: blennon@willkie.com - with a copy, which shall not constitute notice, to – Corrs Chambers Westgarth 8 Chifley Square Sydney NSW 2000 Attention: Ben Emblin Email: ben.emblin@corrs.com.au	
Existing Backstop ABL Financiers			
CCP II Acquisition Holdings, LLC		375 Park Ave, 11th Floor New York, New York 10152	
Centerbridge Credit Partners Master AIV III, LP		United States Attention: The Office of the General Counsel	
Centerbridge Special Credit Partners Master II AIV III, L.P.		Email: legalnotices@centerbridge.com and c/o Centerbridge Partners, L.P. Email: ctchilin@centerbridge.com Attention: Conor Tochilin - with a copy, which shall not constitute notice, to – Kirkland & Ellis LLP Email: asathy@kirkland.com and john.luze@kirkland.com Attention: Anup Sathy, P.C., and John R. Luze 300 North LaSalle Chicago, Illinois 60654 United States - with a copy, which shall not constitute notice, to – MinterEllison	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Email: ron.forster@minterellison.com and michael.hughes@minterellison.com</p> <p>Attention: Ron Forster and Michael Hughes</p> <p>Governor Macquarie Tower</p> <p>1 Farrer Place Sydney NSW 2000</p> <p>Australia</p>	
Corre Horizon Fund, LP		<p>c/o Corre Partners Management, LLC</p> <p>Email: john@correpartners.com and skapadia@correpartners.com</p>	
Corre Opportunities Qualified Master Fund, LP		<p>Attention: John Barrett and Saurabh Kapadia</p> <p>12 E. 49th St., 40th Fl.</p> <p>New York, NY 10017</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	
FPA New Income, Inc.		<p>c/o First Pacific Advisors, LP</p> <p>Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com</p>	
Motion Picture Industry Health Plan (Active)		<p>Attention: Eric Brown, Abhi Patwardhan and Joe Choi</p>	
Motion Picture Industry Health Plan (Retiree)		<p>11601 Wilshire Boulevard, Suite 1200</p> <p>Los Angeles, California 90025</p> <p>United States</p>	
Motion Picture Industry Individual Account Plan		<p>- with a copy, which shall not constitute notice, to –</p>	
The Nature Conservancy		<p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p>	
SAG-AFTRA Health Plan (FKA Screen Actors Guild – Producers Health Plan)		<p>Email: arosenberg@paulweiss.com, emccolm@paulweiss.com, mturkel@paulweiss.com and xpang@paulweiss.com</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p>	
The Health Plan (FKA The Health Plan of Upper Ohio Valley, Inc)		<p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin</p> <p>Email: DEmmett@gtlaw.com.au</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Email: David.Clee@CliffordChance.com</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	

2. CBP and AHG

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
CBP			
CCP II Acquisition Holdings, LLC.		375 Park Ave, 11th Floor New York, New York 10152	CBP
Centerbridge Credit Partners Master AIV III, L.P.		United States Attention: The Office of the General Counsel	
Centerbridge Credit Partners Master, L.P.		Email: legalnotices@centerbridge.com and	
Centerbridge Special Credit Partners Master II AIV III, L.P.		c/o Centerbridge Partners, L.P. Email: ctchilin@centerbridge.com Attention: Conor Tochilin	
Centerbridge Special Credit Partners II, L.P.		- with a copy, which shall not constitute notice, to – Kirkland & Ellis LLP	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Email: asathy@kirkland.com and john.luze@kirkland.com</p> <p>Attention: Anup Sathy, P.C., and John R. Luze</p> <p>300 North LaSalle Chicago, Illinois 60654 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>MinterEllison</p> <p>Email: ron.forster@minterellison.com and michael.hughes@minterellison.com</p> <p>Attention: Ron Forster and Michael Hughes</p> <p>Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 Australia</p>	
AHG			
Ascribe II Investments LLC		<p>c/o Ascribe Capital</p> <p>Attention: Lawrence First and Eric Schondorf</p> <p>590 Madison Avenue, 38th Floor New York, New York 10022 United States</p> <p>- with a copy, which shall not constitute notice, to -</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas New York, NY 10019 United States</p>	Ascribe

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to – Gilbert + Tobin Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to – Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
Corre Opportunities Qualified Master Fund, LP		c/o Corre Partners Management, LLC Attention: John Barrett and Saurabh Kapadia	Corre
Corre Horizon Fund, LP		12 E. 49th St., 40th Fl. New York, NY 10017 United States	
Corre Horizon II Fund, LP		<p>- with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang 1285 Avenue of the Americas New York, NY 10019 United States</p> <p>- with a copy, which shall not constitute notice, to – Gilbert + Tobin</p>	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000 Australia</p> <p>- with a copy, which shall not constitute notice, to - Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
FPA New Income, Inc.		c/o First Pacific Advisors, LP Attention: Eric Brown, Abhi Patwardhan and Joe Choi	FPA
Motion Picture Industry Health Plan (Active)		11601 Wilshire Boulevard, Suite 1200	
Motion Picture Industry Health Plan (Retiree)		Los Angeles, California 90025 United States Email: ebrown@fpa.com, abhi@fpa.com and jchoi@fpa.com	
Motion Picture Industry Individual Account Plan		- with a copy, which shall not constitute notice, to -	
SAG-AFTRA Health Plan		Paul, Weiss, Rifkind, Wharton & Garrison LLP	
The Health Plan of West Virginia, Inc.		Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang	
The Nature Conservancy		1285 Avenue of the Americas New York, NY 10019 United States - with a copy, which shall not constitute notice, to - Gilbert + Tobin Attention: Dominic Emmett	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Clifford Chance, Sydney</p> <p>Attention: David Clee</p> <p>Level 16, No. 1 O'Connell Street</p> <p>Sydney NSW 2000</p> <p>Australia</p>	
Nut Tree Master Fund, LP		<p>c/o Nut Tree Capital Management</p> <p>Attention: Scott Silver</p> <p>55 Hudson Yards, 22 FL</p> <p>New York, NY 10001</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Paul, Weiss, Rifkind, Wharton & Garrison LLP</p> <p>Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang</p> <p>1285 Avenue of the Americas</p> <p>New York, NY 10019</p> <p>United States</p> <p>- with a copy, which shall not constitute notice, to –</p> <p>Gilbert + Tobin</p> <p>Attention: Dominic Emmett</p> <p>L35, Tower Two, International Towers Sydney</p> <p>200 Barangaroo Avenue, Barangaroo NSW 2000</p> <p>Australia</p>	Nut Tree

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
		<p>- with a copy, which shall not constitute notice, to – Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia</p>	
ARES Institutional High Yield Master Fund LP		c/o Ares Management LLC Attention: Russell Almeida and Joanne Hanson Bonney	Ares
Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust		800 Corporate Point Suite 300 Los Angeles, CA 90230 United States	
Kaiser Foundation Hospitals		- with a copy, which shall not constitute notice, to –	
Lucent Technologies Inc. Master Pension Trust		Paul, Weiss, Rifkind, Wharton & Garrison LLP Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang	
Seattle City Employees' Retirement System		1285 Avenue of the Americas New York, NY 10019	
SEI Global Master Fund PLC		United States	
SEI Institutional Investment Trust - High Yield Bond Fund		- with a copy, which shall not constitute notice, to – Gilbert + Tobin	
SEI Institutional Managed Trust - High Yield Bond Fund		Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000	
SEI Investments Canada Company – U.S. High Yield Bond Fund		Australia	
Superannuation Funds Management		- with a copy, which shall not constitute notice, to –	

Name	ACN / ARBN / Other company number (if applicable)	Notice details	Defined term (if applicable)
Corporation of South Australia		Clifford Chance, Sydney Attention: David Clee	
Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund		Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia	

SCHEDULE 2

Restructuring Documents

	Document
1.	Restructuring Implementation Deed
2.	Secured Creditors' Scheme
3.	Unsecured Creditors' Scheme
4.	Members' Scheme
5.	Share Purchase Plan
6.	Selective Buy-Back
7.	Exit Financing Documents
8.	Assumption Deed Poll
9.	New Warrants
10.	CBP Director Nomination Agreement
11.	AHG Director Nomination Agreements

EXECUTED as a deed

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Scheme Companies

EXECUTED by BOART LONGYEAR LIMITED ACN 123 052 728:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR MANAGEMENT PTY LIMITED ACN 123 283 545:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR AUSTRALIA PTY LTD ACN 000 401 025:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR INVESTMENTS PTY LIMITED ACN 124 070 373:

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by VOTRAINT NO. 1609
PTY LIMITED ACN 119 244 272:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BL CAPITAL
MANAGEMENT LLC ARBN 649 445
321:**

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by BLY US HOLDINGS INC.
ARBN 649 445 394:**

Signature of director

Signature of director/secretary

Name

Name

Secured Scheme Creditors

SIGNED, SEALED and DELIVERED by A SECURED SCHEME ADMINISTRATOR FOR AND ON BEHALF OF THE SECURED SCHEME CREDITORS in the presence of:

Signature of attorney

Signature of witness

Name

Name

Address of witness

Unsecured Scheme Creditors

SIGNED, SEALED and DELIVERED by AN UNSECURED SCHEME ADMINISTRATOR FOR AND ON BEHALF OF THE UNSECURED SCHEME CREDITORS in the presence of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

Address of witness

Scheme Administrators

SIGNED, SEALED and DELIVERED by
CHRISTOPHER CLARKE HILL in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SIGNED, SEALED and DELIVERED by
DAVID PETER MCGRATH in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan A and the Term Loan
B in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SSN Trustee

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as trustee and collateral
agent under the SSN Indenture in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

TLB Collateral Agent

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as collateral agent for the
TLB Purchasers in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SUN Trustee

SIGNED, SEALED AND DELIVERED by
DELAWARE TRUST COMPANY in its
capacity as trustee under the SUN
Indenture in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

New BLY Parent

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR LTD. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Financiers

SIGNED, SEALED AND DELIVERED by
**CORRE OPPORTUNITIES QUALIFIED
MASTER FUND, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
CORRE HORIZON FUND, LP in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**FIRST PACIFIC ADVISORS, LP, (AS
INVESTMENT ADVISOR OF MOTION
PICTURE INDUSTRY HEALTH PLAN
(ACTIVE), MOTION PICTURE
INDUSTRY HEALTH PLAN (RETIREE),
MOTION PICTURE INDUSTRY
INDIVIDUAL ACCOUNT PLAN, THE
HEALTH PLAN OF WEST VIRGINIA,
INC., THE NATURE CONSERVANCY)** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
FPA NEW INCOME, INC. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
NUT TREE CAPITAL MANAGEMENT LP
in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Collateral Agent

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as collateral agent under
the Incremental Finance Facility in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Incremental Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as agent
under the Incremental Finance Facility in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Existing Backstop ABL Financiers

SIGNED, SEALED AND DELIVERED by
CCP II ACQUISITION HOLDINGS, LLC
in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CENTERBRIDGE CREDIT PARTNERS
MASTER AIV III, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CENTERBRIDGE SPECIAL CREDIT
PARTNERS MASTER II AIV III, L.P.** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
CORRE HORIZON FUND, LP in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**CORRE OPPORTUNITIES QUALIFIED
MASTER FUND, LP** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
FPA NEW INCOME, INC. in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**MOTION PICTURE INDUSTRY HEALTH
PLAN (ACTIVE)** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**MOTION PICTURE INDUSTRY HEALTH
PLAN (RETIREE)** in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
MOTION PICTURE INDUSTRY
INDIVIDUAL ACCOUNT PLAN in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
THE NATURE CONSERVANCY in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
SAG-AFTRA HEALTH PLAN (FKA
SCREEN ACTORS GUILD –
PRODUCERS HEALTH PLAN) in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**THE HEALTH PLAN (FKA THE HEALTH
PLAN OF UPPER OHIO VALLEY, INC)** in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Backstop Collateral Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
collateral agent under the Existing
Backstop ABL in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

Backstop Agent

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as agent
under the Existing Backstop ABL in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 3

Unsecured Scheme Administrators Deed Poll



Unsecured Scheme Administrators Deed Poll

The Unsecured Scheme Administrators

2021

THIS DEED POLL is made on

2021

MADE BY:

- (1) **Christopher Clarke Hill** and **David Peter McGrath** of FTI Consulting, (the **Unsecured Scheme Administrators**)

IN FAVOUR OF:

- (2) each Unsecured Scheme Creditor;
(3) the Agent;
(4) the TLB Collateral Agent;
(5) the SSN Trustee;
(6) the SUN Trustee;
(7) each Released Individual; and
(8) each Obligor,
(each, a **Recipient**).

THE UNSECURED SCHEME ADMINISTRATORS DECLARE:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Unsecured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Unsecured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Scheme Administrator in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Joint and several obligations**

This deed poll binds each Scheme Administrator jointly and severally.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **CONDITIONS TO OBLIGATIONS**

The obligations of the Unsecured Scheme Administrators under this deed poll are subject to the Unsecured Creditors' Scheme becoming Effective.

3. **CONSENT TO ACT**

Each Scheme Administrator:

- (a) consents to act as a scheme administrator in accordance with the terms and conditions of the Unsecured Creditors' Scheme;
- (b) acknowledges that another person may be appointed to act as scheme administrator under the Unsecured Creditors' Scheme;
- (c) represents and warrants that he or she is not disqualified from acting as a scheme administrator of the Unsecured Creditors' Scheme pursuant to section 411(7) of the Corporations Act; and
- (d) undertakes to notify the Scheme Companies, the Agent, the TLB Collateral Agent, the SSN Trustee and the SUN Trustee immediately if the representation and warranty in clause 3(c) ceases to be correct.

4. **OBLIGATIONS IN RELATION TO SCHEME**

With effect on and from the Scheme Effective Date, each Scheme Administrator irrevocably:

- (a) consents to the Unsecured Creditors' Scheme;
- (b) agrees to be bound by the Unsecured Creditors' Scheme as if he or she were a party to the Unsecured Creditors' Scheme; and
- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and to undertake all actions attributed to him or her under the Unsecured Creditors' Scheme;
 - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to him or her under the Unsecured Creditors' Scheme;
 - (iii) to do all things and execute all further documents necessary to give full effect to the Unsecured Creditors' Scheme and the transactions contemplated by it; and
 - (iv) not to act inconsistently with any provision of the Unsecured Creditors' Scheme.

5. **LIMITATION OF LIABILITY**

In the performance or exercise of the Unsecured Scheme Administrators' powers, obligations and duties under the Unsecured Creditors' Scheme, the Unsecured Scheme Administrators' liability is limited in accordance with the Unsecured Creditors' Scheme.

6. GENERAL

6.1 Notices

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

6.2 Governing law and jurisdiction

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

6.3 Continuing obligations

This deed poll is irrevocable.

6.4 Waiver

The Unsecured Scheme Administrators may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

6.5 Inconsistency

The terms of the Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

6.6 Variation

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Unsecured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Unsecured Scheme Creditors; and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Unsecured Creditors' Scheme.
- (b) Where the conditions set out in clause 6.6(a) are satisfied in relation to a variation, the Unsecured Scheme Administrators will enter into a further deed poll in favour of each Recipient giving effect to the variation.

6.7 Cumulative Rights

Except as expressly provided in this deed poll, the rights of the Unsecured Scheme Administrators and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

6.8 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.

(b) Any purported dealing in contravention of clause 6.8(a) is void.

SCHEDULE 1

Unsecured Creditors' Scheme

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SIGNED, SEALED and DELIVERED by
CHRISTOPHER CLARKE HILL in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SIGNED, SEALED and DELIVERED by
DAVID PETER MCGRATH in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SCHEDULE 4

Unsecured Creditors' Scheme Deed Poll



Unsecured Creditors' Scheme Deed Poll

The Unsecured Scheme Creditors

2021

Made by:

- (1) Each **Unsecured Scheme Creditor** as that term is defined in the Unsecured Creditors' Scheme.

In favour of:

- (2) Each other Unsecured Scheme Creditor, the Scheme Companies, the Unsecured Scheme Administrators, the Agent, the SSN Trustee, the SUN Trustee, the TLB Collateral Agent, each Obligor and each Released Individual (each a **Recipient**).

EACH UNSECURED SCHEME CREDITOR DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Unsecured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Unsecured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Unsecured Scheme Creditor in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Unsecured Scheme Creditor severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **RELEASES AND WAIVERS**

- (a) Each Unsecured Scheme Creditor:
 - (i) gives each release, waiver and indemnity which is to be given by it under the Unsecured Creditors' Scheme:

- (A) at the time that release, waiver or indemnity is to be given under Step 2 of clause 8(b) of the RID; and
 - (B) in favour of the Recipient to whom the release, waiver or indemnity is to be given under the Unsecured Creditors' Scheme; and
- (ii) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases, waivers and indemnities given in its favour under the Unsecured Creditors' Scheme and this deed poll.

3. **CONSENTS AND INSTRUCTIONS**

Each Unsecured Scheme Creditor gives each consent and instruction which is required to be given by it for the purposes of the Unsecured Creditors' Scheme in accordance with the Unsecured Creditors' Scheme.

4. **GENERAL**

4.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

4.3 **Continuing obligations**

This deed poll is irrevocable.

4.4 **Waiver**

Each Unsecured Scheme Creditor may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

4.5 **Inconsistency**

The terms of the Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

4.6 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Unsecured Scheme Creditor and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

4.7 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.7(a) is void.

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SIGNED, SEALED and **DELIVERED** by

[•] as attorney and agent for each
Unsecured Scheme Creditor in the
presence of:

Signature of attorney

Signature of witness

Name

Name

Address of witness

SCHEDULE 1

Unsecured Creditors' Scheme

SCHEDULE 5
Agent Deed Poll



Agent Deed Poll

The Agent

2021

THIS DEED POLL is made on 2021

Made by:

- (1) Wilmington Trust, National Association in its capacity as administrative agent and collateral agent under the Term Loan A; and
 - (2) Wilmington Trust, National Association in its capacity as administrative agent and collateral agent under the Term Loan B,
- (together, the **Agent**)

In favour of:

- (1) each Secured Scheme Creditor;
 - (2) each Unsecured Scheme Creditor;
 - (3) the Secured Scheme Administrators;
 - (4) the Unsecured Scheme Administrators;
 - (5) the TLB Collateral Agent;
 - (6) the SSN Trustee;
 - (7) the SUN Trustee;
 - (8) each Obligor; and
 - (9) each Released Individual,
- (each a **Recipient**)

THE AGENT DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the Agent in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of Agent**

Any reference to the Agent in this deed poll is to be read as a reference to the Agent in its capacity as administrative agent and collateral agent under the Term Loan A and Term Loan B respectively and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The Agent, in accordance with the instructions given to it by the TLA Purchasers, TLB Purchasers and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the Agent under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the Agent doing any act, matter or thing after it has ceased to be the "Agent" under the Term Loan A or Term Loan B.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 **Continuing obligations**

This deed poll is irrevocable.

3.4 **Waiver**

The Agent may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 **Inconsistency**

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 **Cumulative Rights**

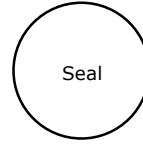
Except as expressly provided in this deed poll, the rights of the Agent and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan A, in the presence
of:



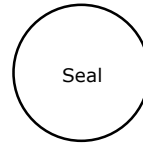
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**WILMINGTON TRUST, NATIONAL
ASSOCIATION** in its capacity as
administrative agent and collateral agent
under the Term Loan B, in the presence
of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 6

TLB Collateral Agent Deed Poll



TLB Collateral Agent Deed Poll

The TLB Collateral Agent

2021

THIS DEED POLL is made on 2021

Made by:

- (1) U.S. Bank National Association in its capacity as collateral agent for the TLB Purchasers (the **TLB Collateral Agent**)

In favour of:

- (1) each Secured Scheme Creditor;
- (2) each Unsecured Scheme Creditor;
- (3) the Secured Scheme Administrators;
- (4) the Unsecured Scheme Administrators;
- (5) the Agent;
- (6) the SSN Trustee;
- (7) the SUN Trustee;
- (8) each Obligor; and
- (9) each Released Individual,
(each a **Recipient**)

THE TLB COLLATERAL AGENT DECLARES:

1. **INTERPRETATION**

1.1 Definitions

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the SSN Trustee in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of the TLB Collateral Agent**

Any reference to the TLB Collateral Agent in this deed poll is to be read as a reference to the TLB Collateral Agent in its capacity as the TLB Collateral Agent under the Creditor's Schemes Finance Documents and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The TLB Collateral Agent, in accordance with the instructions given to it by the TLB Purchasers and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the TLB Collateral Agent under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the TLB Collateral Agent doing any act, matter or thing after it has ceased to be the "TLB Collateral Agent" under the Creditors' Schemes Finance Documents.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 Continuing obligations

This deed poll is irrevocable.

3.4 Waiver

The TLB Collateral Agent may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 Inconsistency

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 Cumulative Rights

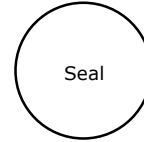
Except as expressly provided in this deed poll, the rights of the TLB Collateral Agent and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity collateral agent for the TLB
Purchasers, in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 7

SSN Trustee Deed Poll



SSN Trustee Deed Poll

The SSN Trustee

2021

THIS DEED POLL is made on 2021

Made by:

- (1) U.S. Bank National Association in its capacity as trustee and collateral agent under the SSN Indenture (the **SSN Trustee**)

In favour of:

- (1) each Secured Scheme Creditor;
- (2) each Unsecured Scheme Creditor;
- (3) the Secured Scheme Administrators;
- (4) the Unsecured Scheme Administrators;
- (5) the Agent;
- (6) the TLB Collateral Agent;
- (7) the SUN Trustee;
- (8) each Obligor; and
- (9) each Released Individual,
(each a **Recipient**)

THE SSN TRUSTEE DECLARES:

1. **INTERPRETATION**

1.1 Definitions

The following definitions apply in this document.

- (a) **Secured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies and the Secured Scheme Creditors, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (c) Unless the context requires otherwise, a capitalised term or expression which is defined in the Secured Creditors' Scheme or Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the SSN Trustee in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of the SSN Trustee**

Any reference to the SSN Trustee in this deed poll is to be read as a reference to the SSN Trustee in its capacity as the SSN Trustee under the Creditor's Schemes Finance Documents and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO SECURED CREDITORS' SCHEME AND UNSECURED CREDITORS' SCHEME**

The SSN Trustee, in accordance with the instructions given to it by the SSN Noteholders and Obligors under the Secured Creditors' Scheme and Unsecured Creditors' Scheme:

- (a) consents to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the SSN Trustee under the Secured Creditors' Scheme and Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Secured Creditors' Scheme and Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Secured Creditors' Scheme or Unsecured Creditors' Scheme,

but, subject to clause 10.3(c) of the Secured Creditors' Scheme and clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the SSN Trustee doing any act, matter or thing after it has ceased to be the "SSN Trustee" under the Creditors' Schemes Finance Documents.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 Continuing obligations

This deed poll is irrevocable.

3.4 Waiver

The SSN Trustee may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 Inconsistency

The terms of the Secured Creditors' Scheme and Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 Cumulative Rights

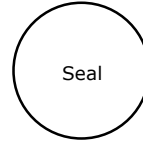
Except as expressly provided in this deed poll, the rights of the SSN Trustee and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
U.S. BANK NATIONAL ASSOCIATION
in its capacity as trustee and collateral
agent under the SSN Indenture, in the
presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 8

SUN Trustee Deed Poll



SUN Trustee Deed Poll

The SUN Trustee

2021

THIS DEED POLL is made on 2021

Made by:

- (1) **Delaware Trustee Company** in its capacity as trustee under the SUN Indenture (the **SUN Trustee**)

In favour of:

- (1) each Unsecured Scheme Creditor;
(2) the Unsecured Scheme Administrators;
(3) the Agent;
(4) the TLB Collateral Agent;
(5) the SSN Trustee;
(6) each Obligor; and
(7) each Released Individual,
(each a **Recipient**)

THE SUN TRUSTEE DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Unsecured Creditors' Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, being the compromise or arrangement proposed by Boart Longyear Limited ACN 123 052 728 and the other Scheme Companies and approved by the Court in 2021.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the RID applies to the interpretation of this deed poll as if references to "this document" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against the SUN Trustee in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Capacity of the SUN Trustee**

Any reference to the SUN Trustee in this deed poll is to be read as a reference to the SUN Trustee in its capacity as the SUN Trustee under the Creditors' Schemes Finance Documents and in no other capacity (including any personal capacity).

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO UNSECURED CREDITORS' SCHEME**

The SUN Trustee, in accordance with the instructions given to it by the SUN Noteholders and Obligor under the Unsecured Creditors' Scheme:

- (a) consents to the Unsecured Creditors' Scheme; and
- (b) undertakes in favour of each Recipient:
 - (i) to perform all actions attributed to the SUN Trustee under the Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to the Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Unsecured Creditors' Scheme,

but, subject to clause 10.4(c) of the Unsecured Creditors' Scheme, in each case, provided that any such act, matter or thing, does not require or involve the SUN Trustee doing any act, matter or thing after it has ceased to be the "SUN Trustee" under the Creditors' Schemes Finance Documents.

3. **GENERAL**

3.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

3.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

3.3 **Continuing obligations**

This deed poll is irrevocable.

3.4 **Waiver**

The SUN Trustee may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

3.5 **Inconsistency**

The terms of the Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

3.6 Cumulative Rights

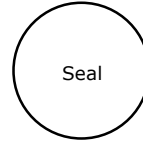
Except as expressly provided in this deed poll, the rights of the SUN Trustee and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

3.7 Assignment and other dealings

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 3.7(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED AND DELIVERED by
DELAWARE TRUST COMPANY in its
capacity as the trustee under the SUN
Indenture, in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 9

Released Individuals Deed Poll



Released Individuals Deed Poll

Released Individuals

2021

THIS DEED POLL is made on

2021

Made by:

- (1) **Released Individuals listed in Schedule 1** (each a **Released Individual**)

In favour of:

- (1) each Unsecured Scheme Creditor, the Agent, the SSN Trustee, the SUN Trustee, the TLB Collateral Agent, each Obligor and the Unsecured Scheme Administrators (each a **Recipient**).

THE RELEASED INDIVIDUAL DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Unsecured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 2 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Unsecured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Released Individual in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Released Individual severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59pm on the Sunset Date this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **OBLIGATIONS IN RELATION TO UNSECURED CREDITORS' SCHEME**

Each Released Individual irrevocably:

- (a) consents to the Unsecured Creditors' Scheme;

- (b) agrees to be bound by the Unsecured Creditors' Scheme as if it were a party to the Unsecured Creditors' Scheme; and
- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and undertake all actions attributed to the Released Individual under the Unsecured Creditors' Scheme;
 - (ii) to do all things and execute all further documents necessary to give full effect to its obligations under the Unsecured Creditors' Scheme; and
 - (iii) not to act inconsistently with any provision of the Unsecured Creditors' Scheme.

3. **RELEASES**

- (a) Without limiting clause 2 above, each Released Individual:
 - (i) gives each release which is to be given by it under clause 10 (*Releases*) of the Unsecured Creditors' Scheme:
 - (A) at the time that release is to be given under Step 2 of clause 8(b) of the RID; and
 - (B) in favour of each Recipient to whom the release is to be given under the Unsecured Creditors' Scheme; and
 - (ii) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases given in its favour under the Unsecured Creditors' Scheme and this deed poll.

4. **GENERAL**

4.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis and the Released Individuals adopt the address for notices of BLY.

4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

4.3 **Continuing obligations**

This deed poll is irrevocable.

4.4 **Waiver**

The Released Individual may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

4.5 **Inconsistency**

The terms of the Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

4.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Unsecured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Unsecured Creditors' Scheme (by value); and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Unsecured Creditors' Scheme.
- (b) Where the conditions set out in clause 4.6(a) are satisfied in relation to a variation, the Released Individual will enter into a further deed poll in favour of each Recipient giving effect to the variation.

4.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Released Individual and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

4.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.8(a) is void.

EXECUTED as a deed poll.

SIGNED, SEALED and DELIVERED by
[RELEASED INDIVIDUAL] in the
presence of:

Signature of party

Signature of witness

Name

Address of witness

SCHEDULE 1
Released Individuals

1.	[name]
2.	
3.	
4.	
5.	
6.	

SCHEDULE 2

Unsecured Creditors' Scheme

SCHEDULE 10
Obligors Deed Poll



Obligors Deed Poll

The Obligors listed in Schedule 1 to this deed poll

2021

THIS DEED POLL is made on

2021

Made by:

- (1) Each Obligor listed in Schedule 1 to this deed poll (together, the **Obligors**).

In favour of:

- (1) Each Unsecured Scheme Creditor, the Unsecured Scheme Administrators, the Agent, the SSN Trustee, the SUN Trustee, the TLB Collateral Agent, each other Obligor and each Released Individual (each a **Recipient**).

EACH OBLIGOR DECLARES:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Unsecured Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act in relation to the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 2 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Unsecured Creditors' Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Unsecured Creditors' Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Obligor in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Obligor severally and not jointly.

1.5 **Termination**

If all of the Implementation Steps in clauses 8(a) to 8(h) of the RID have not been completed by 11.59 pm on the Sunset Date, this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

2. **CONDITIONS TO OBLIGATIONS**

The obligations of each Obligor under this deed poll are subject to the Unsecured Creditors' Scheme becoming Effective.

3. **OBLIGATIONS IN RELATION TO UNSECURED CREDITORS' SCHEME**

With effect on and from the Scheme Effective Date, each Obligor irrevocably:

- (a) consents to the Unsecured Creditors' Scheme;
- (b) agrees to be bound by the Unsecured Creditors' Scheme as if it were a party to the Unsecured Creditors' Scheme; and
- (c) undertakes in favour of each Recipient:
 - (i) to perform all obligations and to undertake all actions attributed to it under the Unsecured Creditors' Scheme including, without limitation, to give the directions and make the appointments attributed to it under the Unsecured Creditors' Scheme;
 - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to it under the Unsecured Creditor's Scheme;
 - (iii) to do all things and execute all further documents necessary to give full effect to the Unsecured Creditors' Scheme and the transactions contemplated by it; and
 - (iv) not to act inconsistently with any provision of the Unsecured Creditors' Scheme.

4. **RELEASES AND WAIVERS**

Each Obligor:

- (a) gives each release, waiver and indemnity which is to be given by it under the Unsecured Creditor's Scheme:
 - (i) at the time that release, waiver or indemnity is to be given under Step 2 of clause 8(b) of the RID; and
 - (ii) in favour of the Recipient to whom the release, waiver or indemnity is to be given under the Unsecured Creditors' Scheme; and
- (b) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases, waivers and indemnities given in its favour under the Unsecured Creditors' Scheme and this deed poll.

5. **GENERAL**

5.1 **Notices**

The provisions of clause 16 (*Notices*) of the RID are incorporated into this document by reference as if set out in this document in full, mutatis mutandis and the Obligors adopt the address for notices of BLY.

5.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.

- (b) Each party submits to the exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

5.3 **Continuing obligations**

This deed poll is irrevocable.

5.4 **Waiver**

The Obligors may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

5.5 **Inconsistency**

The terms of the Unsecured Creditors' Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

5.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
 - (i) the variation is consistent with the Unsecured Creditors' Scheme;
 - (ii) the variation is agreed to in writing by the Scheme Companies and a majority of the Unsecured Scheme Creditors (by value); and
 - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Unsecured Creditors' Scheme.
- (b) Where the conditions set out in clause 5.6(a) are satisfied in relation to a variation, the Obligors will enter into a further deed poll in favour of each Recipient giving effect to the variation.

5.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of the Obligors and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

5.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 5.8(a) is void.

5.9 **Counterparts**

This deed poll may be executed in counterparts. Delivery of a counterpart of this deed poll by email attachment or fax constitutes an effective mode of delivery.

EXECUTED as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by BOART LONGYEAR LIMITED ACN 123 052 728:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR MANAGEMENT PTY LIMITED ACN 123 283 545:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR AUSTRALIA PTY LTD ACN 000 401 025:

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by BOART LONGYEAR INVESTMENTS PTY LTD ACN 124 070 373:

Signature of director

Signature of director/secretary

Name

Name

**EXECUTED by VOTRAINT NO. 1609
PTY LTD ACN 119 244 272:**

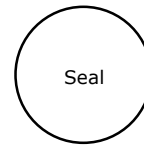
Signature of director

Signature of director/secretary

Name

Name

SIGNED, SEALED AND DELIVERED by
BL CAPITAL MANAGEMENT LLC in the
presence of:



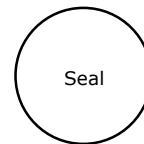
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BLY US HOLDINGS INC. in the presence
of:



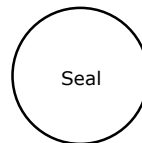
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR CANADA in the
presence of:



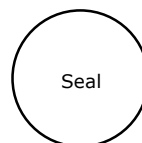
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR CHILE LIMITADA in
the presence of:



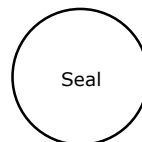
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR COMPANY in the
presence of:



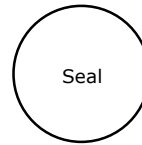
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**BOART LONGYEAR MANUFACTURING
AND DISTRIBUTION INC.** in the
presence of:



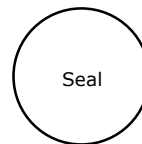
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
**BOART LONGYEAR MANUFACTURING
CANADA LTD.** in the presence of:



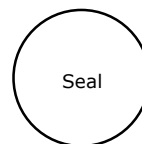
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR S.A.C. in the
presence of:



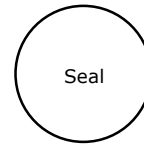
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BOART LONGYEAR SUISSE SARL in the
presence of:



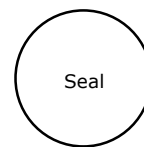
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
LONGYEAR CANADA, ULC in the
presence of:



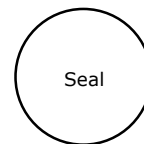
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
LONGYEAR TIM, INC. in the presence
of:



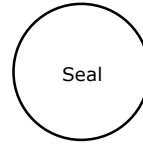
Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SIGNED, SEALED AND DELIVERED by
BLY IP INC. in the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

SCHEDULE 1**Obligors**

Obligors	
1.	Boart Longyear Limited ACN 123 052 728
2.	Boart Longyear Management Pty Limited ACN 123 283 545
3.	Boart Longyear Australia Pty Ltd ACN 000 401 025
4.	Boart Longyear Investments Pty Ltd ACN 124 070 373
5.	BL Capital Management LLC ARBN 649 445 321
6.	BLY US Holdings Inc. ARBN 649 445 394
7.	Boart Longyear Canada
8.	Boart Longyear Chile Limitada
9.	Boart Longyear Company
10.	Boart Longyear Manufacturing and Distribution Inc.
11.	Boart Longyear Manufacturing Canada Ltd.
12.	Boart Longyear S.A.C.
13.	Boart Longyear Suisse Sarl
14.	Longyear Canada, ULC
15.	Longyear TM, Inc.
16.	Votraint No. 1609 Pty Limited ACN 119 244 272
17.	BLY IP Inc.

SCHEDULE 2

Unsecured Creditors' Scheme

SCHEDULE 11

New Warrants



New Warrant Deed Poll

Boart Longyear Limited

ACN 123 052 728

2021

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THIS DEED POLL is made on

2021

BY:

- (1) **Boart Longyear Limited** (ACN 123 052 728) whose registered office is at 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia (the **Company**).

FOR THE BENEFIT OF:

- (2) the New Warrant Holders (as defined below).

RECITALS:

- (A) The Company has determined to create New Warrants, exercisable into Shares on the terms and subject to the conditions set out in this Deed Poll.
- (B) The Company enters into this Deed Poll for the benefit of each person who is a New Warrant Holder from time to time.

THE COMPANY DECLARES AS FOLLOWS:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

The following definitions apply unless the context requires otherwise.

AHG Member means each of Ares, Ascribe, Corre, FPA and Nut Tree.

Alternative Exchange means, if the Company is no longer listed on ASX, a national or internationally recognised securities exchange other than ASX on which the Company, or a Successor Company, is listed.

Ares means Ares Management LLC, on behalf of its affiliated funds and accounts being ARES Institutional High Yield Master Fund LP, Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust, Kaiser Foundation Hospitals, Lucent Technologies Inc. Master Pension Fund, Seattle City Employees' Retirement System, SEI Global Master Fund PLC, SEI Institutional Investment Trust – High Yield Bond Fund, SEI Institutional Managed Trust – High Yield Bond Fund, SEI Investments Canada Company – U.S. High Yield Bond Fund, Superannuation Funds Management Corporation of South Australia and Touchstone Funds Group Trust – Touchstone Credit Opportunities II Fund.

Ascribe means Ascribe II Investments LLC.

ASX means ASX Limited (ABN 98 008 624 691).

bonus issue has the meaning given to the expression in the Listing Rules at the date of this Deed Poll.

Business Day means a day, other than Saturday or Sunday, on which banks are open in Sydney and Adelaide.

Change in Capital means any recapitalization, reorganization, reclassification, consolidation, merger, amalgamation, sale of all or substantially all of the Company's assets or other transaction, which in each case is effected in such a way that Shares are converted into the right to receive (either directly or upon subsequent liquidation) stock, securities, other equity interests or assets (including cash), but does not include:

- (a) a Redomiciling Event;
- (b) a Change of Control;
- (c) a Public Stock Merger; or
- (d) a Small Public Stock Merger.

Change of Control occurs when a Third Party (other than as custodian, nominee or bare trustee):

- (a) acquires an interest in, or a relevant interest in or becomes the holder of, 50% or more of the Shares provided that where a Third Party acquires a relevant interest in 50% or more of the Shares by way of an off market takeover bid in accordance with Chapter 6 of the Corporations Act, the Change of Control will not occur until such time as that bid is declared free from all conditions;
- (b) acquires an interest in all or a substantial part of the assets of the Company;
- (c) otherwise acquires control (within the meaning of section 50AA of the Corporations Act) of the Company; or
- (d) otherwise directly or indirectly acquires, merges or amalgamates with the Company or a substantial part of its assets or business, whether by way of takeover offer, scheme or plan of arrangement, shareholder approval acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Company or other synthetic merger or any other similar transaction or arrangement which for the avoidance of doubt does not include where the Third Party is a new holding company and the shares or common stock in the new holding company are held by the holders of Shares in substantially the same proportion as they hold Shares in the Company immediately before the transaction,

but does not include:

- (a) a Redomiciling Event;
- (b) a Public Stock Merger; or
- (c) a Small Public Stock Merger.

Company means:

- (a) Boart Longyear Limited (ACN 123 052 728); or
- (b) if there is a Redomiciling Event, a Successor Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corre means Corre Partners Management, LLC and those entities affiliated with it including Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP.

Distribution means the making of a distribution of:

- (a) any evidences of its indebtedness, any shares of its capital stock or any other securities or property of any nature whatsoever (including cash); or

- (b) any options, warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of its capital stock or any other securities or property of any nature whatsoever,

to the holders of Shares (other than a dividend, a pro rata issue covered by clause 6.2, a bonus issue covered by clause 6.3 or a corporate action covered by clause 6.4).

Exercise Date means, in respect of a New Warrant, the date on which the exercise of that New Warrant becomes effective in accordance with the terms of this Deed Poll.

Exercise Notice means a notice substantially in the form set out in Attachment 1.

Exercise Period means the period commencing on the date of issue of the New Warrants and ending at 5.00 pm (Sydney time) on the sixth anniversary of that date.

Exercise Price means, in respect of a New Warrant, A\$2.79 (as adjusted in accordance with clause 6).

Fair Value of:

- (a) a Share means on any day:
- (i) if the Shares are quoted on a Securities Exchange on that day, the VWAP of Shares during the 10 Trading Days ending on, but excluding that day;
 - (ii) if the Shares are not quoted on any Securities Exchange on that day, the fair value as of a date not earlier than 10 Business Days preceding that day as determined by the Independent Expert;
- (b) of cash on any day means the amount of that cash;
- (c) of any other property means on any day, the fair market value of that property as determined by an Independent Expert appointed for such purpose, using one or more valuation methods that the Independent Expert in its best professional judgement determines to be the most appropriate, assuming such property is to be sold in an arm's-length transaction and there was no compulsion on the part of any party to such sale to buy or sell and taking into account all relevant factors

FPA means First Pacific Advisors, LP and those entities affiliated with it including FPA New Income, Inc., Motion Picture Industry Health Plan (Active), Motion Picture Industry Health Plan (Retiree), Motion Picture Industry Individual Account Plan, SAG-AFTRA Health Plan, The Health Plan of West Virginia, Inc. and The Nature Conservancy.

Independent Expert means an independent expert selected by the board of the Company with the supporting vote of at least one director nominated by the AHG Members.

Listing Rules means the official listing rules of ASX as waived or modified by ASX in respect of the Company or the New Warrants in any particular case.

New Warrant means an option to subscribe for one Share at the Exercise Price on and subject to the terms and conditions in this Deed Poll.

New Warrant Certificate means a certificate evidencing the New Warrant Holder as the registered holder of any one or more New Warrants, and substantially in the form set out in Attachment 3.

New Warrant Holder means a person whose name appears in the Warrants Register as the holder of any one or more New Warrants from time to time.

Nut Tree means Nut Tree Capital Management and Nut Tree Master Fund, LP.

pro rata issue has the meaning given to that expression in the Listing Rules at the date of this Deed Poll.

Public Stock means common stock or shares of a company listed on ASX or an Alternative Exchange with an aggregate market capitalisation in excess of US\$500 million.

Public Stock Merger means an event described in any of paragraphs (a) to (d) of the definition of a Change of Control pursuant to which all of the Shares held by shareholders who are not affiliated with the Company or any entity acquiring the Company are exchanged for, converted into or constitute solely (except to the extent of applicable appraisal rights or cash received in lieu of fractional shares) the right to receive as consideration Public Stock.

Redomiciling Event means completion of the implementation of the redomiciling of the place of incorporation or organisation of the Company to a jurisdiction outside of Australia.

relevant interest has the meaning given to that expression in the Corporations Act at the date of this Deed Poll.

Representation Letter means a letter to be delivered with the Exercise Notice where the New Warrant is exercised for cash in substantially the form set out in Attachment 2.

Restructuring Implementation Deed means the restructuring implementation deed dated on or about the date of this Deed Poll between, amongst others, the Company, Boart Longyear Management Pty Limited (ACN 123 283 545), the AHG Members (in their individual capacities as secured scheme creditors and unsecured scheme creditors (as applicable)), and others.

Restructuring Support Agreement means the agreement of the same name dated 12 May 2021 between the Company, Boart Longyear Management Pty Limited (ACN 123 283 545), the AHG Members and others.

Securities Act means the *U.S. Securities Act of 1933*, as amended.

Securities Exchange means:

- (a) for so long as the Company is listed on ASX, ASX; or
- (b) if the Company ceases to be listed on ASX and the Company, or a Successor Company, is listed on an Alternative Exchange, the Alternative Exchange.

Share means:

- (a) one (1) fully paid ordinary share in the capital of Boart Longyear Limited (ACN 123 052 728); or
- (b) if there is a Redomiciling Event, the Substitute Property received in place of one (1) fully paid ordinary share in the capital of Boart Longyear Limited (ACN 123 052 728) as a result of the Redomiciling Event.

Shareholder means the registered holder of a Share.

Small Public Stock means common stock or shares of a company listed on ASX or an Alternative Exchange with an aggregate market capitalisation less than or equal to US\$500 million.

Small Public Stock Merger means an event described in any of clauses (a) to (d) of the definition of Change of Control pursuant to which all of the Shares held by shareholders who are not affiliated with the Company or any entity acquiring the Company are exchanged for, converted into or constitute solely (except to the extent of applicable appraisal rights or cash received in lieu of fractional shares) the right to receive as consideration Small Public Stock.

Substitute Property means any shares, stock, securities, other equity interests or assets issued to a Shareholder in respect of their Shares pursuant to a Change in Capital or a Redomiciling Event.

Successor Company means, if there is a Redomiciling Event, such other company which becomes the parent company of the corporate group of which the Company is currently the parent company.

Third Party means a person other than a person who at the day after the date that the New Warrants are issued:

- (a) has an interest in, or a relevant interest in or holds, 20% or more of the Shares; or
- (b) controls (within the meaning of section 50AA of the Corporations Act) the Company.

Trading Day means:

- (a) for so long as the Company is listed on ASX, has the meaning given to that term in the Listing Rules; or
- (b) if the Company or a Successor Company is admitted to an Alternative Exchange, means a day on which that Alternative Exchange is open for the trading of Shares.

VWAP means, for any period, the arithmetic average (rounded to the nearest cent) of the daily volume weighted average sale price of Shares (rounded to four decimal places) sold on the Securities Exchange on which Shares are quoted during that period excluding any trades the board of the Company, in good faith and acting reasonably, with the supporting vote of at least one director nominated by the AHG Members, determines are not fairly reflective of natural supply or demand.

Warrants Register means the register of New Warrants evidencing the New Warrant Holder in respect of each New Warrant.

Warrant Value at any time means the value of the New Warrant in cash at that time determined by an Independent Expert using the calculation methods and making the assumptions set out in Exhibit A.

1.2 **Rules for interpreting this Deed Poll**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this Deed Poll, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this Deed Poll) or agreement, or a provision of a document (including this Deed Poll) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;

- (iii) a party to this Deed Poll or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
 - (v) anything (including a right, obligation or concept) includes each part of it;
 - (vi) dollars and \$ is to Australian currency; and
 - (vii) time is to the time in Sydney Australia.
- (b) A singular word includes the plural, and vice versa.
 - (c) A word which suggests one gender includes the other genders.
 - (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

1.3 Adjustments to VWAP

For the purposes of calculating the VWAP for a period (**Pricing Period**) in this Deed Poll:

- (a) where, on some or all of the Trading Days in the Pricing Period, the Shares have been quoted on the Securities Exchange as cum dividend or cum any other distribution or entitlement and a New Warrant will convert:
 - (i) into the Shares after the date those Shares no longer carry that entitlement (**ex date**), then the daily volume weighted average sale price of Shares on the Trading Days on which those Shares have been quoted cum dividend or cum entitlement shall be reduced by an amount (**cum value**) equal to:
 - (A) (in the case of a dividend or other distribution), the amount of that dividend or distribution including, if the dividend is franked the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person under the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997*, jointly as applicable;
 - (B) (in the case of an entitlement which is traded on a Securities Exchange on any of those Trading Days), the daily volume weighted average sale price of all such entitlements sold on the Securities Exchange during the Pricing Period on the Trading Days on which those entitlements were traded; or
 - (C) (in the case of an entitlement not traded on a Securities Exchange during the Pricing Period), the value of the entitlement as reasonably determined by the board of the Company with the supporting vote of at least one director nominated by the AHG Members; and
- (b) where, on some or all of the Trading Days in the Pricing Period, the Shares have been quoted ex dividend, ex distribution or ex entitlement, and the New Warrants will convert into Shares which would be entitled to receive the relevant dividend, distribution or entitlement, then the daily volume weighted average sale price of

Shares on the Trading Days on which those Shares have been quoted ex dividend, ex distribution or ex entitlement shall be increased by the cum value.

2. **TITLE AND RIGHTS**

2.1 **Constitution and Form of New Warrants**

- (a) The New Warrants are issued on the terms and conditions of this Deed Poll, which are binding on the Company in favour of each New Warrant Holder and all persons claiming through or under them respectively.
- (b) Each New Warrant confers the right (but not the obligation) on the New Warrant Holder to subscribe for a Share on the terms and subject to the conditions set out in this Deed Poll.
- (c) The Company undertakes to comply with the terms and conditions of this Deed Poll and specifically, but without limitation, to give effect to the exercise of rights in accordance with the terms of this Deed Poll.
- (d) The Company undertakes to provide to each New Warrant Holder (upon request by that New Warrant Holder) a certified copy of this Deed Poll.

2.2 **Benefit and Enforcement**

- (a) This Deed Poll is a deed poll. Each New Warrant Holder from time to time has the benefit of this Deed Poll and can enforce it even though they may not be in existence or their name does not appear in the Warrants Register as the holder of any one or more New Warrants at the time this Deed Poll is executed.
- (b) A New Warrant Holder may enforce its rights under this Deed Poll independently from any other New Warrant Holder.
- (c) Each New Warrant Holder, and any person claiming through a New Warrant Holder, who asserts an interest in a New Warrant is bound by this Deed Poll.

2.3 **Warrants Register and Warrant Certificates**

- (a) The Company must create and maintain the Warrants Register in accordance with the Corporations Act, and must update the Warrants Register on the exercise or transfer of a New Warrant in accordance with this Deed Poll.
- (b) Title to the New Warrants passes by registration of a transfer in the Warrants Register.
- (c) The New Warrants may be evidenced by New Warrant Certificates.

2.4 **Subscription Rights**

- (a) Each New Warrant gives the holder of that New Warrant the right to subscribe for one Share subject to clause 3.4 and subject to adjustment in accordance with clause 6.
- (b) Each New Warrant has an Exercise Price of A\$2.79 subject to adjustment in accordance with clause 6.

3. **EXERCISE OF THE NEW WARRANTS**

3.1 **Exercise by Notice**

- (a) Subject to clause 3.1(b), a New Warrant Holder may, at any time during the Exercise Period, exercise any or all of its New Warrants by giving a duly completed Exercise Notice (accompanied, if New Warrant Certificates have been issued, by the New Warrant Certificate(s) for the New Warrants exercised) and, if the New Warrant is exercised for cash, a Representation Letter, to the Company.
- (b) A New Warrant Holder may only give an Exercise Notice in respect of:
 - (i) a minimum of at least 1,000 New Warrants, except that where a New Warrant Holder holds less than 1,000 New Warrants, an Exercise Notice given by that New Warrant Holder must be given in respect of all New Warrants held by that New Warrant Holder;
 - (ii) a multiple of 1,000 New Warrants or the number which equals the entire holding of New Warrants of that New Warrant Holder.
- (c) The exercise of a New Warrant does not prevent the New Warrant Holder from exercising at any later time any other New Warrants it may hold.

3.2 **Manner of exercise**

- (a) To exercise a New Warrant, the New Warrant Holder must give an Exercise Notice to the Company, accompanied by:
 - (i) if New Warrant Certificates have been issued, the New Warrant Certificate(s) for the New Warrants exercised; and
 - (ii) payment in full of the Exercise Price unless the New Warrant Holder elects cashless exercise in accordance with clause 3.3.
- (b) Exercise of a New Warrant is only effective when the Company receives:
 - (i) if New Warrant Certificates have been issued, the New Warrant Certificate(s) for the New Warrants exercised; and
 - (ii) the Exercise Price in cleared funds unless the New Warrant Holder elects cashless exercise in accordance with clause 3.3, in which case, exercise of the New Warrant will be effective on receipt by the Company of a duly completed Exercise Notice and, if New Warrant Certificates have been issued, the New Warrant Certificate(s) for the New Warrants exercised.

3.3 **Option to elect cashless exercise**

If the Fair Value of a Share exceeds the Exercise Price of a New Warrant on the day a New Warrant Holder gives the Company an Exercise Notice for that New Warrant, the New Warrant Holder may elect cashless exercise in respect of that New Warrant in the Exercise Notice.

3.4 **Consequences of cashless exercise**

If a New Warrant Holder elects cashless exercise of a New Warrant pursuant to clause 3.3 then:

- (a) the New Warrant Holder is not required to pay to the Company the Exercise Price for that New Warrant; and

- (b) the net number of Shares to be issued on exercise of that New Warrant, subject to clause 4.2, will be calculated using the following formula:

$$N = \frac{(A - B)}{A}$$

Where:

N = the net number of Shares to be issued on exercise of the New Warrant which number can be a fraction of a Share

A = the Fair Value of a Share as at the Exercise Date

B = the Exercise Price for the New Warrant as at the Exercise Date

3.5 **Lapse of New Warrants**

Any New Warrant in respect of which an Exercise Notice has not been given to the Company during the Exercise Period will automatically lapse on the expiry of the Exercise Period.

4. **ALLOTMENT**

4.1 **Allotment of Shares on exercise of New Warrants**

- (a) The Company must issue to the New Warrant Holder the Shares to be issued on exercise of a New Warrant in accordance with clauses 3.2 or 3.3 (as applicable) by no later than the 5th Business Day after the Exercise Date.
- (b) The Company must enter the New Warrant Holder into the register of members of the Company as the registered holder of the Shares issued on exercise of the New Warrant.
- (c) If a New Warrant Holder exercises only part of its holding of New Warrants and New Warrant Certificates have been issued, the Company shall issue to the New Warrant Holder a new New Warrant Certificate in respect of the remaining New Warrants.

4.2 **Fractions of Shares**

No fractions of a Share will be issued on the exercise of any New Warrant including on cashless exercise in accordance with clause 3.3 and no refund will be made to a New Warrant Holder exercising their rights in respect of that part of the Exercise Price which represent such a fraction (if any), provided that if more than one New Warrant is exercised at the same time by the same New Warrant Holder then, for the purposes of determining the number of Shares to be issued upon the exercise of such New Warrants including in the case of cashless exercise in accordance with clause 3.3 and whether (and, if so, what) fraction of Shares arises, the number of Shares arising on the exercise of each New Warrant is to first be aggregated and if the number of Shares to be issued in aggregate includes a fraction of a Share, the fraction will be rounded-up to the nearest whole number (subject to any approvals required under the Listing Rules).

4.3 **Ranking**

Shares issued on exercise of a New Warrant will be fully paid, will rank *pari passu* with existing issued Shares (including in relation to dividend rights) and will be immediately transferable (subject only to the restrictions required or imposed under applicable laws and the Company's constituent or governing documents).

4.4 **Quotation**

The Company will, in accordance with the rules of the Securities Exchange on which it is listed at the time, apply for Shares issued on exercise of a New Warrant to be listed for quotation on the Securities Exchange and cause to be issued to the New Warrant Holder a holding statement (or other applicable documentation) for the Shares issued on exercise of the New Warrant.

5. **NEW ISSUES OF SHARES**

5.1 **Participation in new issues**

A New Warrant Holder does not have a right to participate in new issues of Shares without exercising the New Warrant and becoming the registered holder of Shares before the record date for the new issue of Shares.

6. **ADJUSTMENTS**

6.1 **Adjustments not triggered by the Restructuring Implementation Deed**

With the exception of clauses 6.6, 6.8 and 6.9, the adjustments contemplated by this clause 6 shall not operate in respect of the Implementation Steps (as defined in the Restructuring Implementation Deed) set out in the Restructuring Implementation Deed.

6.2 **Pro rata issues**

If there is a pro rata issue (except a bonus issue) of Shares during the Exercise Period, the Exercise Price reduces according to the formula in the Listing Rules.

6.3 **Bonus issues**

If there is a bonus issue of Shares during the Exercise Period, the number of Shares over which the New Warrants are exercisable increases by the number of Shares which the New Warrant Holder would have received if the New Warrants had been exercised before the record date for the bonus issue.

6.4 **New Warrants to be reorganised on reorganisation of capital**

Subject to clauses 6.5, 6.8 and 6.9:

- (a) in a consolidation of the Shares, the number of New Warrants must be consolidated in the same ratio as the Shares and the Exercise Price must be amended in inverse proportion to that ratio;
- (b) in a subdivision of the Shares, the number of New Warrants must be sub-divided in the same ratio as the Shares and the Exercise Price must be amended in inverse proportion to that ratio;
- (c) in a return of capital to Shareholders, the number of New Warrants must remain the same, and the Exercise Price of each New Warrant must be reduced by the same amount as the amount returned in relation to each Share;
- (d) in a reduction of capital by cancellation of capital paid up on Shares that is lost or not represented by available assets where no Shares are cancelled, the number of New Warrants and the Exercise Price of each New Warrant must remain unaltered;
- (e) in a pro rata cancellation of Shares, the number of New Warrants must be reduced in the same ratio as the Shares and Exercise Price of each New Warrant must be amended in inverse proportion to that ratio; and

- (f) in any other case where the Shares are reorganised, the number of New Warrants or the Exercise Price, or both, must be reorganised so that the New Warrant Holder will not receive a benefit that holders of Shares do not receive.

6.5 Change in Capital

- (a) Except where clause 6.4 applies, where there is a Change in Capital and the holder of a Share will be issued or receive Substitute Property pursuant to that Change in Capital then prior to the consummation of that Change in Capital, the Company must make appropriate provision to ensure that each New Warrant gives the holder of the New Warrant the right to acquire and receive the Substitute Property at the Exercise Price in effect immediately prior to such Change in Capital, in lieu of or in addition to (as the case may be) each Share that the New Warrant Holder would have received if the New Warrant had been exercised prior to the record date for that Change in Capital.
- (b) In any such case, the Company must make appropriate provision to ensure that the terms of the New Warrants shall thereafter be applicable to such Substitute Property.
- (c) The Company must not effect any Change in Capital where the obligations of the Company under the New Warrants will be assumed by a successor entity, unless prior to such transaction, the successor entity (if other than the Company) resulting from the Change in Capital assumes by written instrument the obligation to deliver to each such New Warrant Holder upon exercise of a New Warrant the Substitute Property as, in accordance with this clause 6, such New Warrant Holder may be entitled to acquire.

6.6 Redomiciling Event

- (a) Where there is a Redomiciling Event and the holder of a Share will be issued or receive Substitute Property pursuant to that Redomiciling Event then prior to the consummation of that Redomiciling Event, the Company must make appropriate provision to ensure that each New Warrant gives the holder of the New Warrant the right to acquire and receive the Substitute Property at the Exercise Price in effect immediately prior to such Redomiciling Event, in lieu of or in addition to (as the case may be) each Share that the New Warrant Holder would have received if the New Warrant had been exercised prior to the record date for that Redomiciling Event.
- (b) For any such Redomiciling Event, the Company must make appropriate provision to ensure that the terms of the New Warrants shall thereafter be applicable to such Substitute Property.
- (c) The Company must not effect any Redomiciling Event where the obligations of the Company under the New Warrants will be assumed by a successor entity, unless on or prior to such transaction, the successor entity (if other than the Company) resulting from the Redomiciling Event assumes by written instrument the obligation to deliver to each such New Warrant Holder upon exercise of a New Warrant the Substitute Property as, in accordance with this clause 6, such New Warrant Holder may be entitled to acquire.

6.7 Adjustment for Distribution if not listed on ASX

- (a) This clause 6.7 only applies if the Company is not listed on the ASX.
- (b) Subject to clause 6.7(c), if, at any time during the Exercise Period, the Company fixes a record date for the payment of a Distribution, then the Exercise Price of the New Warrant will be adjusted in accordance with the following formula:

$$EP^2 = EP^1 \times \frac{FV - D}{FV}$$

EP² is the new Exercise Price

EP¹ is the Exercise Price in effect immediately prior to the close of trading on the Securities Exchange on which Shares are quoted on the record date for the Distribution

FV is the Fair Value of a Share on the last Trading Day immediately preceding the first date on which the Shares trade "ex" Distribution on the Securities Exchange

D is, in respect of a Distribution, the amount of the cash and/or Fair Value of the securities, evidences of indebtedness, assets, rights or warrants to be distributed in respect of one Share.

- (c) If the Distribution referred to in clause 6.7(b), includes Shares as well as other property, then instead of adjusting for the entire Distribution under clause 6.7(b):
- (i) the Share portion shall be treated as a bonus issue that triggers an adjustment to the number of Shares obtainable upon exercise of each New Warrant under clause 6.3; and
 - (ii) the remaining portion of the Distribution will constitute "D" for the purposes of clause 6.7(b).

6.8 **Compliance with Listing Rules**

Despite anything else in this deed, for so long as the Company is admitted to the official list of ASX, each adjustment contemplated by clause 6 is subject to being consistent with the Listing Rules, any Redomiciling Event and the laws of the jurisdiction of the place of incorporation or organisation of the Successor Company, and may be amended, together with the rights of the New Warrant Holders to the extent necessary, to ensure compliance with the Listing Rules and the laws of the applicable jurisdiction following a Redomiciling Event.

6.9 **Compliance with rules of an Alternative Exchange**

Despite anything else in this deed, if the Company is no longer listed on ASX, each adjustment contemplated by clause 6 may be amended by the Company without prior approval of the New Warrant Holders but only to the extent necessary and for the sole purpose of ensuring compliance, in the opinion of a law firm recognized in the jurisdiction of such Alternative Exchange in advising on the rules of such Alternative Exchange and the laws of the applicable jurisdiction, with the rules of the Alternative Exchange and the laws of the applicable jurisdiction or any waiver or other relief from compliance with such rules or laws.

7. **CHANGE OF CONTROL**

7.1 **Change of Control**

If a Change of Control occurs, the Company must, within 10 Business Days of the Change of Control occurring, cancel each New Warrant and pay to each New Warrant Holder the Warrant Value as of the date the Change of Control occurs.

7.2 **Public Stock Merger**

If a Public Stock Merger occurs the Company shall (as a condition to such Public Stock Merger occurring) procure that the acquirer or the successor entity (if applicable in such

Public Stock Merger) shall assume the obligations of the Company under this Deed Poll mutatis mutandis and to the extent applicable, such that each New Warrant shall give the holder of that New Warrant the right to subscribe at the Exercise Price for the Public Stock which that New Warrant Holder would have received if it had exercised the New Warrant and held a Share on the record date for the Public Stock Merger.

7.3 **Small Public Stock Merger**

Not less than 10 Business Days prior to the effective date of a Small Public Stock Merger, each New Warrant Holder may elect by notice delivered to the Company that the Company shall (as a condition to such Small Public Stock Merger occurring) procure that the acquirer or the successor entity (if applicable in such Small Public Stock Merger) assume the obligations of the Company under this Deed Poll mutatis mutandis and to the extent applicable, such that each New Warrant shall give the holder of that New Warrant the right to subscribe at the Exercise Price for the Small Public Stock which that New Warrant Holder would have received if it had exercised the New Warrant and held a Share on the record date for the Small Public Stock Merger. If a New Warrant Holder does not make such election in respect of a New Warrant by notice, then that New Warrant shall be cancelled and the Company must pay to the holder of that New Warrant within 10 Business Days prior to or on the effective date of the Small Public Stock Merger, the Warrant Value as at the date of that Small Public Stock Merger.

8. **MISCELLANEOUS**

8.1 **Governing Law**

The New Warrants are governed by, and are to be construed in accordance with, the laws of New South Wales or, following a Redomiciling Event, the jurisdiction of the place of incorporation or organisation of the Successor Company.

8.2 **Notices**

The provisions of the Company's constitution or other governing documents as to notices to shareholders apply mutatis mutandis to notices to New Warrant Holders.

8.3 **Authorisation**

The Company is entitled to rely on the signatures on any form of transfer and any Exercise Notice, and shall have no duty to verify any signature on such documents.

8.4 **New Warrants not registered under the Securities Act**

The New Warrants have not been registered with the U.S. Securities and Exchange Commission under the Securities Act or the securities laws of any state or other jurisdiction. Consequently, neither the New Warrants nor any interest or participation in the New Warrants, may be offered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the U.S. or to a U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

8.5 **Replacement New Warrant Certificates**

If a New Warrant Certificate is lost, stolen, worn out, defaced or destroyed, it may be renewed on such terms as to evidence, identity, indemnity and expense incurred by the Company in investigating or verifying title as the directors of the Company may reasonably think fit, provided that in the case of defacement or being worn out the New Warrant Certificate must be surrendered before a new New Warrant Certificate is issued.

9. **TRANSFER OF NEW WARRANTS**

9.1 **Transfer by the New Warrant Holder**

- (a) Subject to clause 8.4, New Warrants may only be transferred in lots of not less than 100,000 New Warrants (except in the case of a transfer by a New Warrant Holder of all New Warrants held by that New Warrant Holder or as otherwise permitted by the Company in its discretion) and otherwise in accordance with this Deed Poll and all applicable laws and regulations of each relevant jurisdiction.
- (b) Subject to compliance with this Deed Poll, New Warrants are transferable without the prior written consent of the Company.

9.2 **Effecting a transfer**

Any transfer of a New Warrant pursuant to clause 9.1 may be effected upon the delivery to the Company of the New Warrant Certificate, if any, in respect of the New Warrants transferred together with a duly executed instrument of transfer in any usual or common form or such other form approved by the Company, and at which time the Company will reflect the transfer in the Warrants Register and, if New Warrant Certificates have been issued, issue a new New Warrant Certificate in respect of the New Warrants in the name of the transferee (and, if applicable, in the name of the transferor if the transferor will retain New Warrants in its own name) in accordance with clause 2.3.

Executed as a Deed Poll.

SIGNED, SEALED and **DELIVERED** as a deed poll in accordance with section 127 of the *Corporations Act 2001* by **Boart Longyear Limited:**

Director Signature

Director/Secretary Signature

Print Name

Print Name

Attachment 1

New Warrant Exercise Notice

To: The Company Secretary

Boart Longyear Limited ACN 123 052 728 (the **Company**)

This Notice is given pursuant to clause 3.1 of the deed poll entered into by the Company relating to the New Warrants to subscribe for Shares dated _____ 2021 (the **Deed Poll**). Terms defined in the Deed Poll have the same meanings when used in this Warrant Exercise Notice.

TAKE NOTICE that [*insert name of New Warrant Holder] exercises [*insert number] New Warrants in accordance with the Deed Poll.

The exercise of [*insert number] New Warrants is on a [cash]/[cashless] basis.

If the exercise is on a cash basis, the undersigned also confirms the representations, warranties and undertakings in the accompanying Representation Letter.

Dated: [*insert date]

SIGNED for and on behalf of [***INSERT NAME OF NEW WARRANT HOLDER**] by its authorised officer:

Authorised Officer's Signature

Print Name

Attachment 2

Form of Representation Letter

LETTER OF REPRESENTATION

Ladies and Gentlemen:

This letter is delivered to the Company Secretary of Boart Longyear Limited ACN 123 052 728 (the "Company") in connection with the Shares to be issued by the Company as a result of the exercise for cash of the New Warrant that is the subject of the Warrant Exercise Notice delivered at the same time as this letter. The undersigned represents and warrants to you that:

1. We are either (a) an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3), (7) or (8) under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and will receive the Shares the subject of the Warrant Exercise Notice in reliance on Rule 506(c) of Regulation D, or (b) outside the United States and will receive the Shares the subject of the Warrant Exercise Notice in and "offshore transaction" in reliance on Regulation S under the Securities Act.
2. We are acquiring the Shares not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Shares, and we invest in or purchase securities similar to the Shares in the normal course of our business. We, and any accounts for which we are acting, each understand and are each able to bear the economic risk of our or its investment (including the necessity of holding such shares for an indefinite period of time).
3. We understand and acknowledge that the Shares issuable upon the exercise of the New Warrants the subject of the Warrant Exercise Notice being delivered in connection with this letter have not been registered under the Securities Act and, unless so registered, may not be sold, offered or transferred, directly or indirectly, except as permitted in accordance with paragraph 4 below.
4. We agree on our own behalf and on behalf of any investor account for which we are purchasing Shares to offer, sell or otherwise transfer such Shares prior to the date that is one year after the later of the date of original issue and the last date on which either the Company or any affiliate of the Company was the owner of such Shares (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) in the United States to a person that is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7) or (8) under the Securities Act in a transaction exempt from registration under the Securities Act, (b) outside the United States in an "offshore transaction" in accordance with Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if applicable) or (d) pursuant to an effective registration statement under the Securities Act, in each of cases (a) through (d) in accordance with any applicable securities laws of any state of the United States.
5. If at any time an offer, sale, or transfer of Shares is made other than in the ordinary course on ASX where the seller has no reason to know the sale has been prearranged with a person in the United States or a U.S. Person, we will, and each subsequent holder is required to, notify any purchaser of the Shares evidenced hereby of the resale restrictions set forth above. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Shares is proposed to be made to an institutional "accredited investor" prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this

letter to the Company, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7) or (8) under the Securities Act and that it is acquiring such Shares for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company reserves the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Shares pursuant to Section 4 above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Company.

6. We acknowledge that you, the Company and others will rely upon our acknowledgments, representations and agreements set forth herein, and we agree to notify you promptly in writing if any of our acknowledgements, representations and agreements herein cease to be accurate and complete.

Terms not defined herein are defined in the New Warrant Deed Poll dated _____ 2021.

Dated: [●]

[Insert name of Purchaser]

By: _____
Name:
Title:

[Insert name of Purchaser]

By: _____
Name:
Title:

Attachment 3

New Warrant Certificate

Boart Longyear Limited ACN 123 052 728 (the Company)

New Warrant Certificate

Certificate No.: [*insert number]

Date of issue: [*insert date]

Name and address of New Warrant Holder: [*insert name and address]

Number of New Warrants: [*insert number]

THIS IS TO CERTIFY THAT [*insert name] of [*insert address] is/are the registered holder(s) of the above number of New Warrants, which New Warrants are issued pursuant to the New Warrant Deed Poll dated _____ 2021 executed by the Company (**Deed Poll**). Terms defined in the Deed Poll have the same meaning when used in this New Warrant Certificate.

Dated: [*insert date]

EXECUTED by Boart Longyear Limited:

Director Signature

Director/Secretary Signature

Print Name

Print Name

EXHIBIT A

For the purpose of this Exhibit A:

"Acquiror" means (A) the Third Party that has entered into definitive document for a Change of Control transaction, or (B) the offeror in the event of a tender or exchange offer in connection with a Change of Control transaction.

"Reference Date" means the date of consummation of a Change of Control.

"Preliminary Change of Control Event" means with respect to the Company, the first public announcement that describes the economic terms of a transaction that is intended to result in a Change of Control.

The Warrant Value of the New Warrants shall be determined using the Black-Scholes Model as applied to third party options (i.e., options issued by a third party that is not affiliated with the issuer of the underlying stock). For purposes of the Black-Scholes Model, the following terms shall have the respective meanings set forth below:

- Underlying Share Price:**
- In the event of a merger or other acquisition,
 - (A) that is an "all cash" deal, the cash per Share to be paid to the Shareholders in the transaction;
 - (B) that is an "all Public Stock" deal,
 - (1) that is a "fixed exchange ratio" transaction, a "fixed value" transaction where as a result of a cap, floor, collar or similar mechanism the number of Acquiror's shares to be paid per Share to the Shareholders in the transaction is greater or less than it would otherwise have been or a transaction that is not otherwise described in this clause (B)(1) or clause (B)(2) below, the product of (i) the Fair Market Value of the Acquiror's shares on the day preceding the date of the Preliminary Change of Control Event and (ii) the number of Acquiror's shares per Share to be paid to the Shareholders in the Change of Control transaction (provided that the Independent Expert shall make appropriate adjustments to the Fair Value of the Acquiror's shares referred to above as may be necessary or appropriate to effectuate the intent of this Exhibit A and to avoid unjust or inequitable results as determined in its reasonable good faith judgment, in each case to account for any event impacting the Acquiror's shares that is analogous to any of the events described in clause 6 of this Deed Poll if the record date, ex date or effective date of that event occurs during or after the 10 Trading Day period over which such Fair Value is measured); and
 - (2) that is a "fixed value" transaction not covered by clause (B)(1) above, the value per Share to be paid to the Shareholders in the transaction;
 - (C) that is a transaction contemplating various forms of consideration for each Share,
 - (1) the cash portion, if any, shall be valued as described in clause (A) above,
 - (2) the Public Stock portion shall be valued as described in clause (B) above and

(3) any other forms of consideration shall be valued by the Independent Expert valuing the New Warrants, using one or more valuation methods that the Independent Expert in its best professional judgment determines to be most appropriate, assuming such consideration (if securities) is fully distributed and is to be sold in an arm's-length transaction and there was no compulsion on the part of any party to such sale to buy or sell and taking into account all relevant factors and without applying any discounts to such consideration.

- In the event of all other Change of Control events, the Fair Value per Share on the last trading day preceding the date of the Change of Control.

Exercise Price:	The Exercise Price as adjusted and then in effect for the New Warrant.
Dividend Rate:	0
Interest Rate:	The annual yield as of the Reference Date (expressed on a semi-annual basis in the manner in which U.S. treasury notes are ordinarily quoted) of the 7-year U.S. treasury note, or if no such note is on issue, the 10-year U.S. treasury note.
Put or Call:	Call
Time to Expiration	The number of days from end date of the Exercise Period to the Reference Date divided by 365.
Settlement Date:	The scheduled date of payment of the Warrant Value.
Volatility:	For calculation of Warrant Value in connection with a Change of Control with respect to the New Warrants, 40%; provided, however, that if the New Warrants are adjusted as a result of a Change of Control, volatility for purposes of calculating Warrant Value in connection with succeeding Change of Control events with respect to such New Warrants (or their successors) shall be as determined by an Independent Expert engaged to make the calculation, who shall be instructed to assume for purposes of the calculation that such succeeding Change of Control had not occurred.

Such valuation of the New Warrant shall not be discounted in any way.

For illustrative purposes only, an example Black-Scholes model calculation with respect to a hypothetical Warrant appears on the following page.

Illustrative Example

Inputs:

S = Underlying Share Price

X = Exercise Price

PV(X) = Present value of the Exercise Price, discounted at a rate of R = $X * (e^{-(R * T)})$

V = Volatility

R = continuously compounded risk free rate = $2 * [\ln (1 + \text{Interest Rate} / 2)]$

T = Time to Expiration

W = Warrant value per underlying Share

Z = number of Shares underlying New Warrants

Value = total Warrant value

Formulaic inputs:

$$D1 = [\ln [S / X] + (R + (V^2 / 2)) * T] \div (V * \sqrt{T})$$

$$D2 = [\ln [S / X] + (R - (V^2 / 2)) * T] \div (V * \sqrt{T})$$

Black-Scholes Formula

$$W = [N(D1) * S] - [N(D2) * PV(X)]$$

Where "N" is the cumulative normal probability function

$$\text{Value} = W * Z$$

Example of a Hypothetical Warrant (assuming V = 25¹):²

Inputs:

Interest Rate = 4.00%

S = \$50.00

X = \$60.00

PV(X) = \$55.43

¹ Consider amending hypothetical to reflect V=40.

² Note: Amounts calculated herein may not foot due to rounding error. For precise calculations, decimal points should not be rounded.

$$V = 25\%$$

$$R = 3.96\%$$

$$T = 2$$

$$Z = 100$$

Formulaic inputs:

$$\begin{aligned} D1 &= [\ln [S / X] + (R + (V^2 / 2)) * T] \div (V * \sqrt{T}) \\ &= (-0.1149) \end{aligned}$$

$$\begin{aligned} D2 &= [\ln [S / X] + (R - (V^2 / 2)) * T] \div (V * \sqrt{T}) \\ &= (-0.4684) \end{aligned}$$

Black-Scholes Formula

$$\begin{aligned} W &= [N(D1) * S] - [N(D2) * PV(X)] \\ &= \$4.99 \end{aligned}$$

Total Warrant Value

$$\begin{aligned} \text{Value} &= W * Z \\ &= \$499 \end{aligned}$$

ANNEXURE C
FTI Consulting Report

Confidential and Privileged

27 July 2021

James Marshall
Partner
Ashurst Australia
Level 11, 5 Martin Place
SYDNEY NSW 2000

Dear James

Re: Engagement for Dividend and Solvency Analysis in relation to the Creditors' Schemes of Arrangement of Boart Longyear Limited ('the Schemes')

I refer to your letter of instruction dated 27 July 2021, in which you requested I prepare an Independent Expert Report addressing financial matters relating to the proposed application of orders under section 411 of the *Corporations Act 2001 (Cth)* in relation to the Schemes.

This report addresses the matters that are contained in the letter of instruction.

My comments and findings assume that the factual information provided by the Group that I have relied upon in my report is materially accurate. I note that a copy of the report was provided to you and subsequently provided to the Group by you for the purposes of confirming factual accuracy.

The Group has provided me a representation letter confirming that to the best of its knowledge, the factual information in the report does not contain any omissions or errors, and the report accurately sets out the recent financial results, future prospects and the proposed restructuring of the Group.

I expressly advise that the Board of Directors of the Group have requested that I limit the disclosure of certain commercially sensitive and confidential information primarily related to financial forecasts. As a result of this request, I have not disclosed certain information but have clearly flagged where this information has been withheld, and have provided comments on the key underlying assumptions, trends and outputs that are of direct relevance to the scope of this report.

This report has been prepared and may be relied upon solely for the purposes and recipients contemplated in the letter of instruction and should not be used for any other purpose.

Thank you for your instructions on this matter.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'chill'.

Chris Hill
Senior Managing Director

FTI Consulting (Australia) Pty Limited

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27 July 2021



Boart Longyear Limited

Independent Expert Report in relation to the proposed Schemes
of Arrangement

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1. Introduction

1.1 Expert

I, Christopher Clarke Hill, am responsible for the opinions in this Independent Expert Report (“IER” or “Report”) dated 27 July 2021 (“Report Date”). I am a Senior Managing Director in the Corporate Finance & Restructuring division of FTI Consulting (Australia) Pty Ltd (“FTI Consulting”) and specialise in corporate insolvency and restructuring.

In this role I have undertaken engagements involving Independent Business Reviews, informal advisory mandates and formal insolvency roles acting as Voluntary Administrator and Receiver and Manager, as well as expert witness roles opining on issues associated with solvency and antecedent transactions.

In these engagements I regularly conduct:

- Independent, critical reviews of forecasts, including underlying assumptions, for the purpose of assessing reasonableness and conducting sensitivity analysis; and
- Campaigns for the sale of businesses as going concerns and assets on a piecemeal basis, including assessing the value of either businesses and/or assets for sale.

Other relevant information to the provision of this Report is the following:

- I am a Chartered Accountant with a Bachelor of Commerce from The University of Adelaide majoring in Accounting;
- I am a Registered Liquidator having first been registered as a liquidator in 2006;
- I have over 25 years of experience working in the restructuring and advisory sector;
- I am a member of the Institute of Chartered Accountants Australia & New Zealand; and
- I am a member of the Australian Restructuring Insolvency and Turnaround Association.

My curriculum vitae is attached as Appendix A.

The opinions in my Report are based wholly or substantially on specialised knowledge from my training, study, or experience.

I have made all the inquiries which I believe are desirable and appropriate and no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court.

1.2 Purpose of Report

On 13 May 2021, Boart Longyear Limited and Boart Longyear Management Pty Ltd (amongst others) entered into a Restructuring Support Agreement (“RSA”) in relation to a proposed restructure of financing facilities provided to Boart Longyear Limited and certain subsidiaries. It is proposed that the following companies (collectively the “Scheme Companies”) enter into two interdependent Creditors’ Schemes of Arrangement (collectively the “Schemes”), plus other associated documents, in order to implement the proposed restructure:

- Boart Longyear Limited ACN 123 052 728 (“BLY”);
- Boart Longyear Management Pty Limited ACN 123 283 545 (“BLY Issuer”);
- Boart Longyear Australia Pty Ltd ACN 000 401 025 (“BLA”);
- Boart Longyear Investments Pty Limited ACN 124 070 373 (“BLI”);
- Votrait No. 1609 Pty Limited ACN 119 244 272 (“Votrait”);
- BL Capital Management LLC ARBN 649 445 321 (“BCM”); and
- BLY US Holdings Inc. ARBN 649 445 394 (“BLY US”).

The two interdependent Creditors’ Schemes of Arrangement include:

- **The Secured Creditors Scheme:** For the holders of certain secured amounts owing under Term Loan A, Term Loan B, and the SSNs (the “Secured Scheme Creditors”); and
- **The Unsecured Creditors Scheme:** For the holders of certain unsecured amounts owing under Term Loan A, Term Loan B, the SSNs, and the SUNs (the “Unsecured Scheme Creditors”).

I have been asked to prepare an IER on behalf of the Scheme Companies addressing financial matters relating to the proposal by the Scheme Companies to apply for orders under section 411 of the *Corporations Act 2001 (Cth)* (“the Act”) in relation to the Schemes.

This Report has been prepared and may be relied upon solely for the purposes contemplated in my letter of engagement at Appendix B and should not be used for any other purpose.

1.3 Scope of work

As per my letter of engagement dated 27 July 2021 attached at Appendix B, I have been instructed by Ashurst Australia on behalf of Boart Longyear Limited and its subsidiaries (“the Group”) to prepare this Report that addresses the following matters:

1. The solvency of the Group following the implementation of the proposed Schemes:
 - a) solvency is to be determined following completion of the Schemes; and
 - b) I am to determine ‘solvency’ with reference to section 95A of the Act.

2. The expected dividend that would be respectively available to the:

- a) Secured Scheme Creditors; and
- b) Unsecured Scheme Creditors;

if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act. For the avoidance of doubt, I have conducted this analysis on the basis that the Schemes have not been implemented in this scenario.

3. The expected dividend that would be respectively paid to the:

- a) Secured Scheme Creditors; and
- b) Unsecured Scheme Creditors; and

if the Schemes were put into effect as proposed.

The requirement to calculate the expected dividend that would be paid to the Secured Scheme Creditors and Unsecured Scheme Creditors if the Schemes were to be put into effect is drawn from s 8201(b) in Part 2 of Schedule 8 of the *Corporations Regulations 2001 (Cth)* (“Regulations”).

I am instructed that if, in response to Scope Item 1 above, I conclude that the Scheme Companies will be solvent following the implementation of the Schemes, the Scheme Companies would not be wound up following the implementation of the Schemes and based on the terms of the Schemes, despite the calculation required by the Regulations, no dividend would actually be paid to the Secured Scheme Creditors and Unsecured Scheme Creditors in a liquidation.

In these circumstances, I am instructed that Scope Item 3 above still requires that I calculate the dividend that would be paid to Secured Scheme Creditors and Unsecured Scheme Creditors if the Schemes were implemented. In essence, I have been asked to estimate the interest the Secured Scheme Creditors and the Unsecured Scheme Creditors will have in the Scheme Companies immediately following implementation of the Schemes.

I am instructed that if I conclude in response to Scope Item 1 above that the Scheme Companies would be solvent following the implementation of the Schemes, in order to reduce the risk that a reader of my Report might be confused by the use of the term ‘expected dividend’ in circumstances where the Scheme Companies are not being wound up, I am instructed that where I am addressing the calculation described in Scope Item 3 above in my Report I refer to the ‘implied value’ to the Secured Scheme Creditors and the Unsecured Scheme Creditors (“Implied Value”) instead of ‘expected dividend’.

4. The likely outcome for the Group (including the Scheme Companies) should the Schemes not be implemented having regard to the Group's (including the Scheme Companies') existing financial position and projections.

1.4 Limitations and restrictions

There are no specific limitations and restrictions within the scope of work I have been instructed to perform. However, in preparation of this Report I note the following:

- I have been provided with information from the Group as detailed in Appendix F and footnotes to this Report, and obtained additional information from public sources. Where I have been provided with financial information, I have not had access to all underlying data supporting that information. I have relied upon the accuracy and completeness of information provided to me by the Group and its advisors;
- Neither FTI Consulting nor I warrant the accuracy of the information supplied to us and we are not responsible in any way whatsoever to any person in respect of errors in this Report arising from incorrect information supplied to us;
- The statements and opinions given in this Report are wholly based on my own specialised knowledge, given in good faith and in the belief that such statements are not false or misleading. Except where otherwise stated, I reserve the right to alter any conclusions reached on the basis of any changed or additional information which may be provided to me between the date of this Report and the date of the meetings called pursuant to section 411(1) of the Act. I have no responsibility to update this Report for events or circumstances occurring after the date of this Report, apart from any subsequent arrangement;
- I note that my statements and opinions are based on assumptions detailed throughout the Report, along with the rationale for these assumptions. Unless otherwise noted, I have not been instructed to make these specific assumptions. In considering the outcomes to the beneficiaries of the Schemes, I have relied on forecast financial statements and other relevant information provided by the Group;
- The forecast information and the assumptions upon which the forecasts are based are solely the responsibility of the Group and, insofar as the assumptions relate to the future or may be affected by unforeseen events, I can express no opinion on how closely the forecasts will correspond to actual results;
- While I have reviewed the high-level assumptions underlying the forecast information, I do not express an audit opinion or any other form of assurance on these forecasts or assumptions and my comments are based on my evaluation; and
- I have complied with the requirements of APES 215 'Forensic Accounting Services' ("APES 215") and APES 225 'Valuation Services' ("APES 225"), and the professional code of practice of CPA Australia and Chartered Accountants Australia and New Zealand. The valuation included in this Report is a Limited Scope Valuation Engagement for the purposes of complying with APES 225. The reasons for the limitations are set out in Section 1.9.

1.5 Pre-existing relationships

I have read the Australian Securities and Investments Commission's ("ASIC") Regulatory Guide ("RG") 112 'Independence of Experts' ("RG 112") and am of the opinion that there is no:

- Actual, or perceived, conflict of interest;
- Actual, or perceived, threat to independence; or
- Other reason for which the engagement could not be accepted.

In accordance with RG 112.23, and RG 112.28 to RG 112.36, the below provides a summary of the prior engagements FTI Consulting has undertaken during the period between 2016 and the Report Date for the Group and its legal advisors.

February 2020

- FTI Consulting's Corporate Finance & Restructuring division in the USA was engaged by the Group to undertake a working capital optimisation engagement.

- This was a non-bankruptcy operational restructuring piece of work and the job matter was closed on 10 October 2020 which precedes the date on which I was contacted by Ashurst Australia to undertake the production of this Report.

May 2017

- FTI Consulting's Corporate Finance & Restructuring division in Australia was engaged to chair the scheme meetings related to the 2017 schemes of arrangements.

November 2016

- FTI Consulting's Corporate Finance & Restructuring and Forensic & Litigation Consulting divisions in the USA and Australia were engaged by the Group as financial advisors. The role incorporated the consideration of Chapter 11 and Chapter 15 protection in the USA, and voluntary administration planning in Australia. Members of the FTI Consulting Strategic Communications division in Australia provided communications support.
- The Group did not enter in Chapter 11 as a result of pursuing the 2017 schemes of arrangement and the engagement was finalised on 2 January 2018.

In my opinion, I do not consider that the engagements detailed above impact on my independence on the basis that:

- These engagements occurred prior to my engagement as independent expert; and
- These engagements were managed and led by different FTI Consulting staff. No FTI Consulting staff members who have had prior dealings with the Group have assisted me in the preparation of this Report.

Ashurst Australia

FTI Consulting undertakes work from time to time on behalf of Ashurst Australia. In my opinion, this relationship does not result in a conflict of interest or duty. I have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the completion of this engagement.

Proposed Appointment as Scheme Administrators of the Schemes

If the Schemes are agreed to by both the Secured Scheme Creditors and the Unsecured Scheme Creditors, and approved by the Court, Christopher Hill and David Peter McGrath of FTI Consulting have agreed to act as both Secured Scheme Administrators and Unsecured Scheme Administrators.

1.6 Sources of information

I have relied on the sources of information listed in Appendix F.

Unless otherwise specified in the Report, I have carried out my financial analysis based on the actual financial performance and position at 30 April 2021, as this was the latest information available to me.

Where particular documents have been used by me in support of my opinions and calculations, I have referred to these in the Report.

The Board of Directors of the Group have requested that I limit the disclosure of certain commercially sensitive and confidential information, such as the Group's Three-Year Forecast Model (2021 to 2023) – Transaction Completed ("Long Term Forecast"). As a result, I have not disclosed the details of the financial forecasts in the Long Term Forecast but have noted the key assumptions and trends that are relevant to the scope of my Report including both the solvency of the Group as well as the Implied Value and expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors.

In preparing my Report, I have not conducted an audit of the information or documents provided to me. In reaching my opinions and conclusions, I have assumed that the information and documents provided to me are accurate, complete, and reliable unless otherwise stated.

Neither FTI Consulting nor I warrant the accuracy of the information supplied to me and I am not responsible in any way whatsoever to any person in respect of errors in this Report arising from incorrect information supplied to me.

1.7 Reliance on this Report

This Report has been solely prepared, and may be relied on, solely for the purposes contemplated in the letter of engagement included at Appendix B.

1.8 Assistance by colleagues

In order to arrive at my opinion, I have selected the following colleagues to assist me:

- John-Henry Eversgerd (Senior Managing Director – Valuations);
- Fiona Hansen (Senior Managing Director – Valuations);
- Matthew O’Keefe (Managing Director – Corporate Finance & Restructuring);
- Michael Kanan (Senior Director – Valuations); and
- Henry Lister (Senior Consultant – Corporate Finance & Restructuring).

My colleagues carried out the work that I decided they should perform. I have reviewed their work and the original documents to the extent I considered necessary to form my opinion. The opinions expressed in this Report are mine.

1.9 Use of experts

Due to time and travel constraints, and the geographical spread of the assets of the Group (across North America; Latin America; Australasia and South East Asia; and, Europe, the Middle East, and Africa), a third-party independent valuation of the Group’s inventories and property, plant, and equipment (“PP&E”) was deemed impractical. As a result, I have been unable to engage a third-party independent valuer to conduct a valuation of the Group’s inventories and PP&E.

In my calculation of the expected dividend to the Unsecured Scheme Creditors and the Secured Scheme Creditors, I have considered two scenarios under which the Scheme Companies are to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act. These scenarios, detailed further in Section 8, consider:

- A controlled wind down of the Scheme Companies (excluding BLA), the sale of the shareholdings of the Scheme Companies in their respective subsidiaries, and a sale of the assets and business of BLA; and
- An uncontrolled wind down of the Scheme Companies and other entities within the Group, under a piecemeal, entity-by-entity and asset-by-asset realisation of assets approach.

The first scenario does not require a valuation of the assets of the Group, as it is based on a going concern valuation of the business. It is only in the second scenario that an independent valuer would have provided input to my analysis. As I have not been able to commission a third-party independent valuation of the Group’s inventories and PP&E, for reasons detailed above, the valuation conclusion in this Report is a Limited Scope Valuation Engagement for the purposes of complying with APES 225. The definition of a Limited Scope Valuation Engagement is provided at Section 5.2.

As a result, in this latter scenario, I have generally adopted the net book value (“NBV”) of the Group’s assets and liabilities as at 30 April 2021 (subject to various adjustments as detailed in Appendix M), with the exception of the Group’s patents and trademarks, where I adopted values sourced from an independent third-party valuation conducted in February 2021.

1.10 Statement regarding expert witness code

I have read, understood, and complied with the Expert Witness Code of Conduct from the *Uniform Civil Procedure Rules 2005 (NSW)*.

As an expert witness, I have complied with my general duties to Court which include:

- I have a paramount duty to the Court which overrides any duty to any party to the proceedings including my clients;
- I have an overriding duty to assist the Court on matters relevant to my area of expertise in an objective and unbiased manner;
- I have a duty not to be an advocate to any party to the proceedings including my clients; and
- I have a duty to make it clear to the Court when a particular question or issue falls outside my area of expertise.

2. Summary of conclusions

With reference to my letter of engagement dated 27 July 2021, I provide a summary of my conclusions for each scope item with reference to the appropriate section in this Report.

Table 1: Summary of conclusions

Scope item	Section	Opinion																								
1. The solvency of the Group following the implementation of the proposed Schemes	4	In my opinion, and for the reasons detailed in Section 4, the Group will be solvent following the implementation of the proposed Schemes.																								
2. The expected dividend that would be respectively available to the Secured and Unsecured Scheme Creditors if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act	8	<p>In a Controlled Insolvency Scenario, as defined in Section 8.3, and with regard to the related assumptions and calculations, I have calculated the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors as being per Table 2 below.</p> <p>Table 2: Controlled Insolvency Scenario expected dividend summary</p> <table border="1"> <thead> <tr> <th></th> <th>Debt</th> <th>Return</th> <th>Return (c / \$)</th> </tr> </thead> <tbody> <tr> <td>Secured Scheme Creditors</td> <td>492.2</td> <td>145.9</td> <td>29.6</td> </tr> <tr> <td>Unsecured Scheme Creditors</td> <td>301.7</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><i>Source: the Group, FTI Consulting analysis</i></p> <p>In an Uncontrolled Insolvency Scenario, as defined in Section 8.5, and with regard to the related assumptions and calculations, I have calculated the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors as being per Table 3 below.</p> <p>Table 3: Uncontrolled Insolvency Scenario expected dividend summary</p> <table border="1"> <thead> <tr> <th></th> <th>Debt</th> <th>Return</th> <th>Return (c / \$)</th> </tr> </thead> <tbody> <tr> <td>Secured Scheme Creditors</td> <td>492.2</td> <td>60.3</td> <td>12.3</td> </tr> <tr> <td>Unsecured Scheme Creditors</td> <td>301.7</td> <td>0.7</td> <td>0.2</td> </tr> </tbody> </table> <p><i>Source: the Group, FTI Consulting analysis</i></p>		Debt	Return	Return (c / \$)	Secured Scheme Creditors	492.2	145.9	29.6	Unsecured Scheme Creditors	301.7	-	-		Debt	Return	Return (c / \$)	Secured Scheme Creditors	492.2	60.3	12.3	Unsecured Scheme Creditors	301.7	0.7	0.2
	Debt	Return	Return (c / \$)																							
Secured Scheme Creditors	492.2	145.9	29.6																							
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Secured Scheme Creditors	492.2	60.3	12.3																							
Unsecured Scheme Creditors	301.7	0.7	0.2																							

Scope item	Section	Opinion																
3. The Implied Value to the Secured and Unsecured Scheme Creditors if the Schemes were put into effect as proposed	7	<p>As a result of my analysis, as detailed in Section 7.2, I have calculated the Implied Value respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors, if the Schemes were effectuated as proposed, as being per Table 4.</p> <p>Table 4: Schemes effectuated Implied Value summary</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th></th> <th>Return</th> </tr> <tr> <th>\$ million</th> <th>Debt</th> <th>Return</th> <th>(c / \$)</th> </tr> </thead> <tbody> <tr> <td>Secured Scheme Creditors</td> <td>493.6</td> <td>214.6</td> <td>43.5</td> </tr> <tr> <td>Unsecured Scheme Creditors</td> <td>302.5</td> <td>31.9</td> <td>10.5</td> </tr> </tbody> </table> <p><i>Source: the Group, FTI Consulting analysis</i></p>				Return	\$ million	Debt	Return	(c / \$)	Secured Scheme Creditors	493.6	214.6	43.5	Unsecured Scheme Creditors	302.5	31.9	10.5
			Return															
\$ million	Debt	Return	(c / \$)															
Secured Scheme Creditors	493.6	214.6	43.5															
Unsecured Scheme Creditors	302.5	31.9	10.5															
4. The likely outcome for the Group (including the Scheme Companies) should the Schemes not be implemented having regard to the Group's (including the Scheme Companies) existing financial position and projections	9	<p>In my opinion, and for the reasons detailed in Section 9, if the proposed restructure is not implemented, and no alternate restructuring plan was reasonably certain of being advanced, the Group would likely be unable to pay its debts as and when they fall due. In this circumstance the directors of the Scheme Companies would likely immediately seek to appoint voluntary administrators (or other applicable insolvency appointment) to the Scheme Companies and other entities within the Group.</p>																

Source: FTI Consulting analysis

3. Proposed restructure of the Group

3.1 The Group

The Group is headquartered in Salt Lake City, Utah, USA with the ultimate parent company, BLY, being an Australian company listed on the Australian Securities Exchange (“ASX”).

The Group operates two global businesses, Products and Drilling Services:

- The Products segment (“Products”) manufactures drill rigs and drill rig components for sale to third parties and its own Drilling Services segment; and
- The Drilling Services segment (“Drilling Services”) provides aboveground and underground drilling services predominately to mining and resource companies in key markets across: North America; Latin America (“LAM”); Australasia and South East Asia (“Asia Pacific”); and, Europe, the Middle East, and Africa (“EMEA”).

The Group’s customers are predominately large mining houses and drilling services companies. The Drilling Services segment primarily services the mineral sector, and has a fleet biased towards exploration rather than extraction. The Group has minimal exposure to the oil and gas sectors.

The Group reports its financial statements in US dollars and has a financial year-end of 31 December.

3.2 Debt structure as at 30 April 2021

The Group’s debt capital structure as at 30 April 2021 can be summarised as follows:

- Secured Revolving Credit and Security Agreement dated 23 July 2017 provided to BLY Issuer, as amended and restated from time to time (“PNC ABL”);
- Secured Term Loan Securities Agreement dated 23 July 2017 provided to BLY Issuer, as amended and restated from time to time (“Backstop ABL”);
- Term Loan A Securities Agreement dated 31 December 2018 issued by BCM, as amended and restated from time to time (“TLA”);
- Term Loan B Securities Agreement dated 31 December 2018 issued by BCM, as amended and restated from time to time (“TLB”);
- 12.0%/10.0% Senior Secured PIK Toggle Notes due 31 December 2022 issued by BLY Issuer, as amended and restated from time to time (“SSNs”); and
- 1.50% Subordinated PIK Notes due 31 December 2022 issued by BLY Issuer, as amended and restated from time to time (“SUNs”).

The SSNs can be further divided between the holders of the SSNs that consented to the June 2020 amendments (referred to as SSNs), and the non-consenting holders (referred to as “stub SSNs”).

As at 30 April 2021, the Group had total finance debt of \$897.7 million including accrued Payment-in-Kind (“PIK”), accrued interest, and applicable premium (collectively the “Finance Facilities”), pursuant to the following facilities:

Table 5: Summary of amounts outstanding under the Group's Finance Facilities as at 30 April 2021

\$ million	Maturity	Borrower / Issuer	Limit	Principal	PIK / Acc. Interest	Premium	Total
PNC ABL	Jul-22	BLY Issuer	75.0	43.5	0.0	n/a	43.5
Backstop ABL	Oct-22	BLY Issuer	45.0	45.0	15.3	n/a	60.3
TLA	Dec-22	BLM	85.0	85.0	74.9	n/a	159.9
TLB	Dec-22	BLM	105.0	105.0	87.8	n/a	192.8
SSNs	Dec-22	BLY Issuer	217.0	216.4	85.1	44.6	346.1
SSNs (stub)	Dec-22	BLY Issuer	As above	0.6	0.0	0.1	0.7
SUNs	Dec-22	BLY Issuer	94.0	88.9	5.4	n/a	94.2
Total			621.0	584.4	268.5	44.7	897.7

Source: the Group, FTI Consulting analysis

I have based the amounts owing under the Finance Facilities on the Group's relevant book values as at 30 April 2021, subject to the following adjustments:

- Removing balances related to deferred borrowing costs, a contra liability account used for accounting purposes to amortise borrowing costs over the life of the facilities;
- Excluding \$3.3 million related to an accounting adjustment recorded by the Group for accelerated interest under the SSNs;
- Illustratively adjusting the PIK/accrued interest for the SSNs to reflect the PIKing of the June 2021 interest at 14.5% for the period to 30 April 2021, rather than a cash interest at 10.0% recorded on the 30 April 2021 balance sheet;
- Illustratively adjusting the applicable premium for the SSNs to reflect the higher accrued interest (as a result of PIKing the June 2021 cash interest payment) and higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the rate as at December 2020; and
- Illustratively adjusting the applicable premium for the stub SSNs to reflect the higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the lower rate as at December 2020.

The limit of the PNC ABL is \$75.0 million, of which \$10.0 million is subject to an availability block, as the Group is not currently meeting the required criteria to enable full utilisation. The drawn balance at 30 April 2021 was \$43.5 million which excludes \$6.0 million of outstanding letters of credit.

On 14 May 2021, the Group received a commitment for a new money raising in the form of a senior secured delayed draw term loan with a full commitment amount of \$50.0 million ("Incremental Financing"). The purpose of the Incremental Financing is to provide additional working capital to the Group until the recapitalisation has been completed. The initial drawdown of \$30.0 million occurred on 1 June 2021, with the Group able to draw down up to two additional drawdowns subject to a minimum of \$10.0 million per draw. The maturity of this facility is 31 December 2021 with interest rates of 11.0% per annum PIK or 10.0% if paid in cash, and 1.5% on the undrawn amount. Additionally, the Group has secured a further \$15.0 million of accessible liquidity and a four-year extension of the PNC ABL facility, subject to certain conditions being satisfied.

Whilst I have conducted the majority of my analysis based on the Group's financial position as at 30 April 2021, given the impact of the Incremental Financing on the Group's security interest priorities and general indebtedness, I have reflected changes related to the initial drawdown on the Incremental Financing (including on the Group's security interest priorities) in my analysis.

BLY Issuer and BLM are the Group's sole borrowers under the Finance Facilities. Several companies in the Group have provided guarantees and security to support the Finance Facilities, namely:

- Boart Longyear Australia Pty Limited;
- Boart Longyear Limited;
- Boart Longyear Investments Pty Limited;

- Votraint No. 1609 Pty Limited;
- Boart Longyear Canada;
- Boart Longyear Manufacturing Canada Ltd.;
- Longyear Canada, ULC;
- Boart Longyear Chile Limitada;
- Boart Longyear S.A.C.;
- Boart Longyear Suisse Sarl;
- Boart Longyear Company;
- Boart Longyear Manufacturing and Distribution Inc.;
- BLY IP Inc. (“BLY IP”);
- BL Capital Management LLC;
- BLY US Holdings Inc.; and
- Longyear TM, Inc..

These entities, along with BLY Issuer and BLM, are collectively referred to as the Obligor Group throughout this Report.

Additionally, a deed of cross guarantee has been entered into by the following entities that provides that each company guarantees the debts of the others:

- Boart Longyear Limited;
- Votraint No. 1609 Pty Ltd;
- Boart Longyear Investments Pty Ltd; and
- Boart Longyear Management Pty Limited.

As each of these entities are Scheme Companies, are all entities within the Obligor Group (i.e. each of these entities already cross guarantee the secured debt of the Group), and there is no expected dividend available to unsecured creditors in any of these entities (see Section 8.4.3 and Section 8.6.6), I note this deed of cross guarantee is not relevant for my analysis in this Report.

A summary of the Group’s organisational structure as at 31 December 2020 is set out at Appendix N.

The Group’s intercompany loans as well as its intercompany receivables and payables are subordinated to the Finance Facilities (including amounts outstanding under both secured and unsecured claims), such that repayments of these intercompany positions can only be made after all of the obligations under the Finance Facilities have been paid in full.

3.3 Proposed restructure

On 13 May 2021, BLY and BLY Issuer signed an RSA with the majority of their lenders. The primary objective of the restructuring is to materially reduce the Group’s indebtedness in order to deleverage the balance sheet and improve liquidity to support operations and future growth. The RSA contemplates that approximately \$795.0 million of debt is to be released, in consideration for which the lenders will receive 98.5% of the New Common Equity in BLY (subject to further dilution for the Share Purchase Plan, the Creditor Share Purchase Option, any management incentive plan, existing warrants and options, and the New Warrants).

The restructuring will be effectuated via the following separate but interdependent Schemes:

- Secured Creditors Scheme: for the Secured Scheme Creditors, being the holders of secured TLA claims, TLB claims, and SSN claims (in each case not to exceed applicable caps on the secured portion of each of these claims); and

- Unsecured Creditors Scheme: for the Unsecured Scheme Creditors, being the holders of unsecured TLA claims, TLB claims, SSN claims and SUN claims.

Each Creditors' Scheme will require approval from at least 75.0% in value and at least 50.0% majority in number of the creditors attending and voting at each of the scheme meetings and approval by The Supreme Court of New South Wales.

The restructuring also contemplates a redomiciliation scheme of arrangement to change the Group's corporate and tax domicile to Canada to better align with the location of the majority of the Group's management and employees. This is to be completed via a Members' Scheme of Arrangement ("Members' Scheme of Arrangement").

The details of the Schemes and the implementation steps are set out in the Schemes of Arrangements and the Explanatory Statement (together, the "Scheme Documents"). This Report should be read in conjunction with the Scheme Documents.

If implemented, the restructuring will alter the current capital structure through:

- Converting outstanding debt under TLA, TLB, SSNs and SUNs of approximately \$795.0 million to new equity;
- The issuance of new warrants to holders of the SUNs (the "New Warrants"); and
- The availability of a share purchase plan to non-associated shareholders (the "Share Purchase Plan"), a potential share buyback (subject to approval of the Members' Scheme of Arrangement being proposed concurrently to the Schemes) and a creditor share purchase option placement (the "Creditor Share Purchase Option").

As a result of the issues of new shares, and subject to further dilution for the Share Purchase Plan, the Creditor Share Purchase Option, any management incentive plan, existing warrants and options, and the New Warrants, existing equity holders will be diluted to 1.5% before the option to participate in the Share Purchase Plan for up to \$2.5 million.

3.4 Proposed changes to capital structure

The specific changes to the capital structure required to implement the restructuring are detailed below:

Table 6: Proposed changes via the restructure

Facility	Proposed change
TLA and TLB	<p>The amounts owing under TLA and TLB of approximately \$353.5 million (in aggregate) will be converted in full to equity in exchange for:</p> <ul style="list-style-type: none"> ■ Pro rata share of the BLY shares to be issued by BLY under the Schemes ("New Common Equity"), calculated based upon 100% of the face value of the secured portion of the relevant TLA and TLB claim (as applicable); ■ Pro rata share of the New Common Equity, calculated based upon 25% of the face value of the unsecured portion of the relevant TLA and TLB claim; and ■ Allocation, if any, of new common shares available under the Creditor Share Purchase Option.

Facility	Outcomes
<p>SSNs</p>	<p>The amount owing under the SSNs of approximately \$348.4 million will be converted in full to equity in exchange for the SSN holders receiving:</p> <ul style="list-style-type: none"> ■ Pro rata share of the New Common Equity, calculated on 100% of the face value of the secured portion of the relevant SSN claim; ■ Pro rata share of the New Common Equity, based on 25% of the face value of the unsecured portion of the relevant SSN claim; and ■ Allocation if any, of new common shares available under the Creditor Share Purchase Option.
<p>SUNs</p>	<p>The amount owing under the SUNs of approximately \$93.9 million will be converted in full to equity in exchange for the SUN holders receiving:</p> <ul style="list-style-type: none"> ■ Pro rata share of the New Common Equity, calculated on 22.5% of the face value of the relevant SUN claim; ■ Pro rata share of the New Warrants, distributed solely to SUN holders and calculated on 100% of the face amount of the relevant SUN claim; and ■ An allocation if any, of new common shares available under the Creditor Share Purchase Option.
<p>Non-Associated Shareholders, Share Purchase Plan, and existing warrants and options</p>	<p>Existing shareholders will maintain their shares, which will be diluted to 1.5% of the Group’s ordinary equity post-restructure (subject to dilution for the Share Purchase Plan, the Creditor Share Purchase Option, any management incentive plan, existing warrants and options, and the New Warrants).</p> <p>All shareholders other than those who also hold any position in the TLA, TLB, SSN and SUNs (“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 the plan, to purchase new common equity, subject to an aggregate maximum cap of \$2.5 million.</p> <p>If the Share Purchase Plan is oversubscribed by Non-Associated Shareholders, participating Non-Associated Shareholders shall be scaled back such that they will only be entitled to participate in accordance with the allocation principles determined under the plan to a total of \$2.5 million.</p> <p>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.</p> <p>If the Members’ Scheme of Arrangement is approved by the members of BLY and the Court, the new BLY parent company will enter into an assumption deed poll in favour of the holders of the existing warrants and options, the participants in the long term incentive plan, and the holders of management incentive plan units, to assume the obligations of BLY in respect of these arrangements.</p>

Facility	Outcomes
Creditor Share Purchase Option	<p>Under the Creditors Share Purchase Option made available to creditors under the Schemes, and subject to an aggregate maximum cap of \$2.5 million, plus any undersubscription of the Share Purchase Plan:</p> <ul style="list-style-type: none"> ■ Each SUN holder will be offered the right to purchase its pro rata share of new equity in BLY post-restructure, calculated upon 100% of the face amount of the SUN claims held by SUN holders that elect to take up the private placement. <p>If the Creditors Share Purchase Option is undersubscribed, the remaining shares shall be offered, at the same price, to participating holders of the TLA claims, TLB claims or the SSN claims receiving the New Common Equity in the same allocations as such holders will receive under the Schemes.</p>
New Warrants	<p>SUN holders will receive New Warrants which confer the right to purchase up to 10% of 100% of the issued equity both following the implementation of the Schemes and assuming that all of the New Warrants are exercised (subject to dilution from management incentive plans, existing warrants and options, and any shares to be issued under the Share Purchase Plan and the Creditor Share Purchase Option), with a strike price per share of A\$2.79.</p>
Share buyback	<p>Subject to shareholder approval of the Members' Scheme of Arrangement, including approving the proposed redomiciliation, small shareholders will have the opportunity, under certain conditions, to sell back their parcels of BLY shares should they choose not to retain their holdings moving forward. The Group proposes to spend up to \$0.5 million, to offer to purchase small parcels of existing common shares worth less than A\$3,000 from Non-Associated Shareholders on terms and pricing to be determined by BLY.</p>
Exit Financing	<p>The Group intends to enter into a new money loan to fully refinance the Backstop ABL and the Incremental Financing ("Exit Financing").</p>
PNC ABL	<p>The PNC ABL remains in place, subject to maturity extension and any other modifications with lenders to give effect to the restructuring.</p>
Backstop ABL	<p>Unless refinanced in full by any Exit Financing, the Backstop ABL remains in place, subject to maturity extension and any other modifications with lenders to give effect to the restructuring.</p>
General unsecured creditors	<p>The rights and claims of general unsecured creditors will remain unimpaired and not be impacted by the restructuring.</p>

Facility	Outcomes
Governance	<p>Subsequent to the restructuring, the board of directors of BLY shall comprise of nine directors and at least two Australian resident directors and include:</p> <ul style="list-style-type: none"> ■ The Chief Executive Officer (“CEO”); ■ Five directors nominated by Centerbridge Partners L.P. (“Centerbridge”); and ■ Three directors nominated by the lenders affiliated with Ares Management LLC (“Ares”), Ascribe II Investments LLC (“Ascribe”), Corre Partners Management LLC (“Corre”), First Pacific Advisers LP (“FPA”), and Nut Tree Capital Management (“Nut Tree”), and their permitted assigns or transferees (collectively the “Ad-hoc Group” or “AHG”).
Redomiciliation	<p>BLY is to take all steps necessary to redomicile its corporate and tax domicile to Canada. The redomiciliation will be implemented through the Members’ Scheme of Arrangement which is subject to court and shareholder approval.</p> <p>If the redomiciliation does go ahead, the Company will remain listed on the ASX through its new Canadian holding entity and also expects that entity will pursue a dual listing of its shares in North America at a later date.</p>

Source: RSA

4. Solvency of the Group following the Schemes

I have been asked to determine the solvency of the Group following the implementation of the proposed Schemes. I have assessed the potential future solvency of the Group using the approaches outlined below.

4.1 Opinion

In my opinion, and for the reasons detailed below, the Group will be solvent following the implementation of the proposed Schemes.

4.2 Qualification of opinion

4.2.1 Exit Financing

As detailed in Section 3.2, the Incremental Financing matures on 31 December 2021. The RSA contemplates that the Incremental Financing along with the Backstop ABL is to be fully refinanced via the Exit Financing. I have been advised by the Group's advisors (Rothschild & Co) that securing the Exit Financing is to be a condition precedent of the Schemes.

I have also been advised that a process to secure the Exit Financing is being coordinated by the Group and its advisors. My enquiries indicate this process is well advanced. This process began in April 2021 where the Group's advisors initially sought an interim and/or exit financing solution to provide the Group with additional working capital to fund and emerge from the proposed restructure. Following the execution of the Incremental Financing, this process was amended to focus solely on securing a solution to the Exit Financing.

I have made enquiries of the status of the Exit Financing as at the Report Date and summarise my understanding of the current status as follows:

- A significant number of flexible and bona fide capital providers were contacted inviting them to participate in a competitive process;
- Expressions of interest were received by multiple parties with a shortlist of three parties selected by the Group and Rothschild & Co;
- Following further discussions between the Group, Rothschild & Co and the shortlisted parties, terms were agreed between BLY and the proposed exit financiers on or around 16 July 2021. The terms of this agreement are incorporated in a commitment letter (including a term sheet) for the Exit Financing ("Commitment Letter"). I have been advised the Commitment Letter is to be executed by each of the parties on or around 19 July 2021.
- To evidence the agreement between the parties, I have been provided with an unexecuted copy of the Commitment Letter. I make no comment on the commercial terms of the agreement but note that while there are a number of conditions precedent, it appears to appropriately provide for the Exit Financing.
- The Commitment Letter provides that execution of the Exit Financing facility agreement and delivery of the majority of conditions precedent to funding will take place prior to the Second Court hearing for the Schemes, with only a limited number of condition precedent to be satisfied after that time.

Given the above, my enquiries indicate this process is appropriate and advanced with reasonable prospects of success. As a consequence, I consider the assumption that the Exit Financing will occur (and hence the Incremental Financing and Backstop ABL will not become due and payable on 31 December 2021) to be reasonable.

I note the successful completion of this refinance, or securing an alternative solution such as a maturity extension, is a critical component of the Group maintaining solvency after the implementation of the Schemes. As the Incremental Financing matures on 31 December 2021, and is expected to be drawn to \$50.0 million, in circumstances where the Exit Financing is not completed, or a suitable alternative is not secured, my opinion on the solvency of the Group is withdrawn as the Group will not be in a position to meet this payment along with other debts falling due on or around this date.

This being said, on the basis of the current status of the Exit Financing and the fact that securing the Exit Financing is to be a condition precedent to the Schemes being effectuated, I confirm my opinion that if the Schemes are effectuated (thereby confirming that the Exit Financing has been secured), the Group will be solvent after implementation of the Schemes.

4.2.2 Canadian tax dispute

The Canada Revenue Agency (“CRA”) reassessed tax assessments for the tax years associated with FY07 through to FY17. The Group has resolved the FY07 to FY09 assessments, resulting in a final assessment of additional tax, penalties, and interest of CAD7.4 million, all of which was settled at the end of FY20.

The tax years of FY10 through to FY17 remain in various stages of audit or appeal with the CRA, or are proceeding under the mutual agreement procedure, which is a negotiation between Canada and Switzerland on the allocation of taxable profits between the countries. Based on the CRA’s assessment, the remaining unsettled tax, penalties and interest for the tax years of FY10 to FY14, if settled unfavourably, could result in a maximum remaining assessment of CAD46.0 million. After the application of tax credits and payments, the maximum future cash outlay could be approximately CAD35.0 million for this period. In the event this becomes payable, there are reasonable grounds to anticipate the assessment would become immediately due and payable requiring immediate cash settlement. The tax years of FY15 to FY17 remain under examination by the CRA and have not yet been assessed.

The Group plans to vigorously dispute these reassessments and are generally confident of securing a negotiated outcome. Due to the uncertainty surrounding these audits, the Group has provisioned for the estimated outcome as a non-current provision.

My discussions with the Group indicate that the outcome and timing of a resolution is unknown but is likely to extend beyond the 12 months following the proposed implementation of the Schemes.

If the Group is required to cash settle a material assessment (i.e. not a nominal amount, and also noting that interest will accrue on all disputed and unpaid amounts until they are paid or otherwise settled) within the forecast period covered by the 2021 Group Budget Forecast Model (RF1) (“FY21 RF1 Budget”) and the Long Term Forecast, being from 1 April 2021 to 31 December 2023 (the “Forecast Period”), in isolation and assuming the other outputs of the cash flow forecast are met, the liquidity of the Group will be impacted (including the likely drop below the minimum liquidity threshold discussed below), but will not necessarily cause an immediate threat to solvency. However, if the Group underperforms against the Group’s budgets and a material adverse assessment is provided, solvency may be threatened.

4.3 Approach to solvency

4.3.1 Definition of solvency

The definition of solvency is set out in section 95A(1) of the Act. Section 95A(1) of the Act provides that:

“A person is solvent if, and only if, the person is able to pay all the person’s debts as and when they become due and payable”.

The definition of insolvency is set out in section 95A(2) of the Act. Section 95A(2) provides that:

“A person who is not solvent is insolvent”.

It is generally accepted that there are two tests of insolvency, being the ‘cash flow test’ or the ‘balance sheet test’. The cash flow test goes to whether a company has sufficient resources available to it to pay all liabilities as they become due and payable. The balance sheet test is based on whether a company’s total assets exceed its total liabilities at a point in time.

Given the statutory definition as outlined above, the cash flow test is generally viewed as the appropriate basis for assessing the solvency of a company or group, while the balance sheet test (essentially whether assets exceed

liabilities) enables an understanding of the overall financial position of the company at a point in time, which is to be considered in conjunction with the cash flow test.

An assessment of solvency needs to:

- Determine whether a company's financial position can be characterised as more than a mere "temporary lack of liquidity" but rather "an endemic shortage of working capital whereby liquidity can only be restored by a successful outcome of business ventures in which the existing working capital has been deployed", in which case the company is insolvent (*Hymix Concrete v Garrity* (1977) 13 ALR 321 at 328);
- Include a consideration of the capacity to pay known contingent and prospective debts (*New Cap Reinsurance Company Limited (In Liq) v Grant* 2008);
- Address not only the available cash to the company from day to day operations but also assets and other resources and opportunities (including the ability to raise debt and equity) that could be converted into cash in time to meet the liabilities; and
- Consider the prevailing circumstances and business practices of the company, as each will be unique.

Critically, based on the statutory definition and relevant case law, an assessment of solvency requires a 'look forward' test, usually of a period around at least 90 days, as opposed to a static assessment undertaken at a particular point in time, and importantly, can also take into account resources that may not be apparent by sole reference to a company's balance sheet.

For the purposes of my analysis, I have assumed that the Schemes are implemented on 31 August 2021 (the "RSA Date"), as was assumed by Management in the FY21 RF1 Budget. Additionally, I have incorporated a review that exceeds 12 months following the restructure.

While the Group consists of more than 100 separate legal entities, and solvency is theoretically assessed on an entity by entity basis, the solvency of the Scheme Companies is inextricably linked to that of the Group. I have therefore assessed the solvency of the Group, and therefore the solvency of the Scheme Companies, on a consolidated basis, based on the commercial reality of how the Group operates day to day, with external debt financing arranged through Group Special Purpose Vehicles ("SPVs") and the assets of the Group effectively pooled to deal with the liabilities of the Group as required.

In reality, the Scheme Companies (with the exception of BLA) are:

- Holding companies or financing companies with no ability to generate their own cashflows from day to day operations;
- Are part of the Obligor Group, making them jointly and severally liable for any amounts outstanding under the Group's Finance Facilities; and
- Are wholly reliant on the cashflows of the operating companies within the Group to service and repay those debts.

Consequently, it is necessary to review solvency on a Group consolidated basis.

4.3.2 Cash flow test

The cash flow test is considered to be the primary test of solvency as it more closely aligns to the requirements of section 95A of the Act as compared to the balance sheet test.

I have reviewed the Group's forecast cash flows to determine whether the above definition of solvency is met. In line with case law, I have analysed the financial position of the Group in the twelve months following the implementation of the Schemes. This involves the review of a company's cash flows to determine if the company is able to pay its debts as and when they fall due.

4.3.3 Balance sheet test

The balance sheet test of solvency provides that a company will be insolvent if the liabilities of the company would not be met if all of its assets were liquidated and used to meet those liabilities.

This involves a review of a company's balance sheet to determine whether the company's assets exceed its liabilities and, if so, by how much. It also highlights the nature of the company's assets and liabilities.

I note that a simple mathematical analysis of a company's balance sheet may not provide a definitive determination of whether the company would be able to meet its debts. This is because many of the assets held by a company may be illiquid in nature and not readily realisable to meeting payment obligations. In addition, and as outlined above, regard must also be had to all the resources available to the company, some of which may not be apparent from a review of the balance sheet. Examples of these include the ability to raise additional equity or debt or even amend the terms of the debt such that it is no longer due and payable in the short to medium term.

While the balance sheet test is not considered to be the primary test of solvency, it is useful in providing context for the proper application of the cash flow test.

4.3.4 Profitability test

This involves reviewing the historic and forecast statement of comprehensive income to determine the Group's profitability. Positive Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") generated by a company provides an indication of an ability to meet day to day operating expenses from trading and an ability to meet other debts as and when they fall due, particularly with regard to interest payable on its debt facilities and other non-trading cash expenses, such as capital expenditure.

4.3.5 Other considerations

Case law indicates that the Courts adopt a commercial approach with respect to the question of solvency, not simply basing their view on the theoretical approaches noted above.

The case of *ASIC v Plymin* (2003), provides a non-exhaustive list of insolvency indicators, including:

- Continuing losses;
- Liquidity ratio below 1.0 times;
- Poor relationship with lenders;
- No access to alternative finance;
- Inability to raise further equity capital;
- Suppliers placing a company on cash on delivery or special payment plans; and
- Special arrangements with selected creditors.

In reviewing solvency, it is important to note these factors are non-exhaustive and the solvency of a group or company should be considered within its own commercial context. In this regard, in determining solvency of the Group, I have also considered the following additional matters:

- The effects of proposed debt restructuring to be implemented as part of the Schemes;
- The Group's ability to access additional debt facilities and other liquidity support; and
- The adequacy of the books and records of the Group.

4.4 Information relied upon

The cash flow, balance sheet and profitability analyses have been based on the following documents provided by the Group:

- The FY21 RF1 Budget, which, amongst other items:
 - Provides a monthly forecast of cash flow, profit and loss, and balance sheet for the period 1 January 2021 to 31 December 2021;
 - Incorporates actual results for the months of January to March 2021;
 - Assumes that the Schemes are put into effect as proposed; and
 - Incorporates a reforecast, adopted by the Board of Directors of BLY in May 2021, of the Group's original 2021 budget ("FY21 Group Budget").
- The Long Term Forecast, which, amongst other items:
 - Adopts the outputs of the FY21 RF1 Budget for FY21 and extends the forecast on a monthly basis over FY22 and FY23; and
 - Is predicated on a number of growth, capital structure, and capital expenditure ("CAPEX") assumptions to extend the FY21 RF1 Budget; and
- Historical financial statements and management accounts, including but not limited to, the Group's pro-forma balance sheet as at 30 April 2021.

I note the Group typically reforecasts its annual budget on a quarterly basis. The FY21 RF1 Budget is the latest forecast that was approved by the Group's Board in May 2021 and supersedes the FY21 Group Budget. Given the reforecast, I have not reviewed the FY21 Group Budget in a material level of detail other than to compare the actual results of January to March 2021 against the FY21 Group Budget in order to provide context for assessing the reasonableness of the FY21 RF1 Budget and Long Term Forecast.

I have relied on the actual results for FY20 as well as the actual results for the months of January, February and March 2021 and the following outputs from the FY21 RF1 Budget and the Long Term Forecast for my forecast analysis:

- Forecast profit and loss results for FY21, FY22 and FY23; and
- Forecast indirect cash flow statement for FY21, FY22 and FY23.

I note the Group's forecast models do not incorporate sensitivities or scenario analysis beyond the baseline forecast. As a result, I have adopted the sole base case for my analysis.

4.5 Review of forecasts

To assist my assessment on the reasonableness of the Group's forecast, I have undertaken a review of the Group's historical financial results and to the extent possible, assessed the quality and accuracy of the Group's forecasting ability by comparing the Group's forecasts prepared by Management with actual results.

4.5.1 Historical review

As detailed in Section 6.3, the Group has reported significant movements (both positive and negative) in year on year financial results between FY11 and FY20, due to ongoing financial and operational challenges including volatility in commodity markets and the end of the global mining boom.

Between FY11 and FY16, revenue declined by an annualised rate of 20.5% from \$2.0 billion to \$642.5 million (a 68.2% absolute reduction), while Adjusted EBITDA reduced from \$356.3 million to \$32.0 million. This decline is largely related to volatility in commodity markets, and the end of the global mining boom which resulted in a reduction in demand for the Group's products and services as customers reduced exploration programs and associated capital expenditure.

During the period FY16 to FY20, the Group has focused on revenue initiatives, cost reduction programs and balance sheet restructuring (including the 2017 schemes of arrangement) to enhance financial performance and sustainability. This has resulted in the financial performance of the Group improving, generally, year on year.

However, in FY20 the Group reported a reduction in revenue and earnings as compared to FY17 through FY19. Much of the decline in performance is a result of the impacts of the COVID-19 pandemic, some of which have continued into FY21, impacting the Group, its customers, and its supply chain.

The consistent fluctuations in historical financial performance (highlighted by the impacts of COVID-19 in FY20) has made forecasting the financial performance and position of the Group challenging.

I have reviewed the Group's prior forecasts against the results reported in monthly management accounts. I have also reviewed the Group's budgeting process which I consider to be appropriate. Noting the challenging and fluctuating environment the Group operates in, I consider the Group's forecasting to be of reasonable quality. I note, however, that the Group has tended to understate the impact of the trajectory of the market. In other words, in a declining market the Group tends to understate the decline, and in an improving market the Group tends to understate the improvement. The latter example is demonstrated by the forecast improvements between the FY21 Group Budget and the FY21 RF1 Budget.

4.5.2 Overview of forecasts

While the Group reported a decline in underlying financial performance in FY20, the Group has forecast a material improvement in the financial performance over FY21 to FY23 as compared to FY19 and FY20. This forecast improvement is a reflection of the underperformance of the Group in FY20, driven largely by the COVID-19 pandemic, but also the significant improvement in financial performance in the first quarter of FY21, which has resulted in a material increase in the recent FY21 RF1 Budget reforecast.

Table 7: Consolidated profit and loss statement – FY19 to FY23

\$ million	FY19A	FY20A	FY21F	FY22F	FY23F
Revenue	745.0	657.3	852.8		
Gross profit	141.3	98.0	169.3		
Gross margin (%)	19.0%	14.9%	19.8%		
SG&A	(94.1)	(81.4)	(94.4)	Commercially Sensitive	
Other operating expenses	(20.1)	(17.3)	(47.2)		
EBIT	27.1	(0.7)	27.7		
EBITDA	66.5	40.3	72.2		
Add back:					
Restructuring costs	11.8	6.0	43.7	Commercially Sensitive	
Other adjustments	9.0	13.8	(0.0)		
Adjusted EBITDA	87.3	60.1	115.9		

Source: FY21 RF1 Budget, Long Term Forecast. Note: Figures are as reported

As discussed in Section 1.6, I have refrained from including information relating to FY22 and FY23 from Table 7 above as it is commercially sensitive and confidential in nature.

Given this forecast improvement and to provide context to the Group's forecasts, I have undertaken a review of the historical performance of the Group as well as reviewing the forecast methodology of the FY21 RF1 Budget and Long Term Forecast.

4.5.3 FY21 RF1 Budget

The table below details the actual results (recurring) of the Group over FY19 and FY20 as well as the FY21 Group Budget and the FY21 RFI Budget, which provides an updated view on the financial forecast of the Group through to 31 December 2021 including actuals for Q1FY21.

Table 8: Consolidated profit and loss comparison (recurring)

\$ million	Recurring				Variance – FY21F v.s. recurring		
	FY19A	FY20A	FY21B	FY21F	FY19A	FY20A	FY21B
Revenue	740.4	654.7	789.9	852.8	15.2%	30.3%	8.0%
Gross profit	134.3	102.2	144.8	169.3	26.1%	65.7%	16.9%
Gross margin (%)	18.1%	15.6%	18.3%	19.9%	n/a	n/a	n/a
SG&A	(95.6)	(80.4)	(96.4)	(94.4)	(1.3%)	17.4%	(2.1%)
Other	(4.6)	(0.7)	(2.2)	(3.3)	(28.3%)	371.4%	52.8%
EBIT	34.1	21.1	46.2	71.6	110.0%	239.3%	54.8%
Adjusted EBITDA	73.5	62.0	94.6	116.1	58.0%	87.3%	22.7%

Source: FY21 Group Budget, FY21 RF1 Budget

As shown above, FY20 was severely impacted by COVID-19 and saw revenue decline from \$740.4 million to \$654.7 million, an \$85.7 million reduction against FY19. Positively, the Group appears to have been able to partially mitigate this revenue led decline by holding gross margin relatively consistent (FY20:15.6% v.s. FY19: 18.1%), and reducing selling, general and administrative expenses (“SG&A”) by \$15.2 million. This indicates the Group has the ability to respond to adverse changes in performance.

While performance declined in FY20, the FY21 Group Budget provided a material improvement in the Group’s forecast revenue and earnings compared to FY19 and FY20, with revenue increasing by 30.3% to \$789.9 million. This improvement was predominantly based on revenue uplift with margins remaining consistent, SG&A returning to FY19 levels, and an acute focus on cost control.

Despite the 30.3% forecast increase in recurring revenues, the actual results for January to March 2021 exceeded the FY21 Group Budget with revenue for the quarter being \$21.3 million above forecast, and EBITDA for the quarter being \$8.7 million above forecast. This improvement was again led by overall sector improvement and a reduction in the impact of COVID-19 on the day to day operations. The table below summarises these results and provides the variances to the Group FY21 Budget:

Table 9: Summary profit and loss – actuals for January to March 2021 and variance to FY21 Group Budget

\$ million	Actual				Variance			
	Jan-21	Feb-21	Mar-21	Q1FY21	Jan-21	Feb-21	Mar-21	Q1FY21
Revenue	62.4	67.8	78.8	209.0	9.2	3.3	8.8	21.3
Gross margin	9.9	12.3	18.1	40.3	3.8	1.0	3.9	8.7
Gross margin %	15.9%	18.1%	23.0%	19.3%	n/a	n/a	n/a	n/a
SG&A	(7.0)	(6.7)	(7.5)	(21.2)	0.9	1.4	0.6	2.9
EBIT	3.2	5.3	9.1	17.6	4.7	1.7	3.2	9.6
Adjusted EBITDA	6.9	9.0	12.7	28.6	4.4	1.5	2.8	8.7

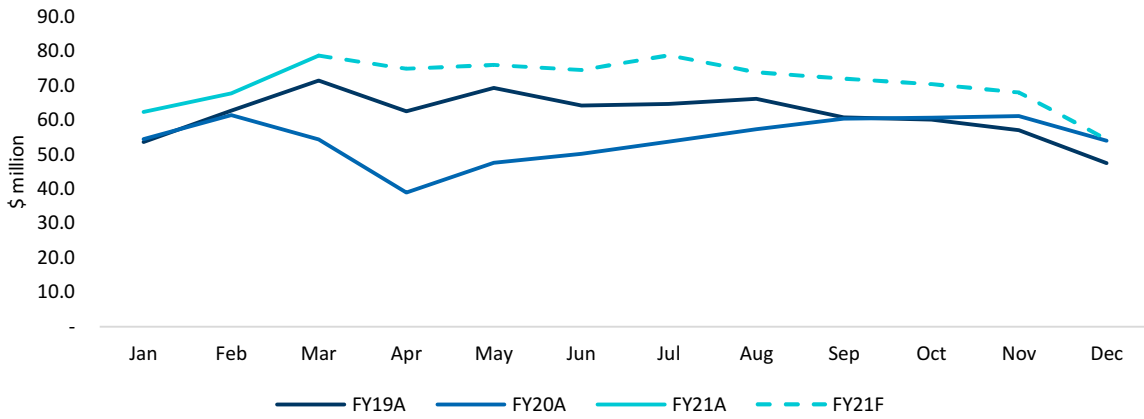
Source: FY21 Group Budget, Management accounts

Given the above, the reforecast FY21 RF1 Budget provides the following forecast improvements over the FY21 Group Budget for FY21:

- Revenue is forecast to increase by \$62.9 million (an 8.0% increase);
- Gross margin remains steady at approximately 20%;
- SG&A expenses have reduced by \$2.0 million on account of open positions, and lower travel expenses and professional fees; and
- Recurring EBITDA is forecast to improve by \$21.5 million to \$116.1 million.

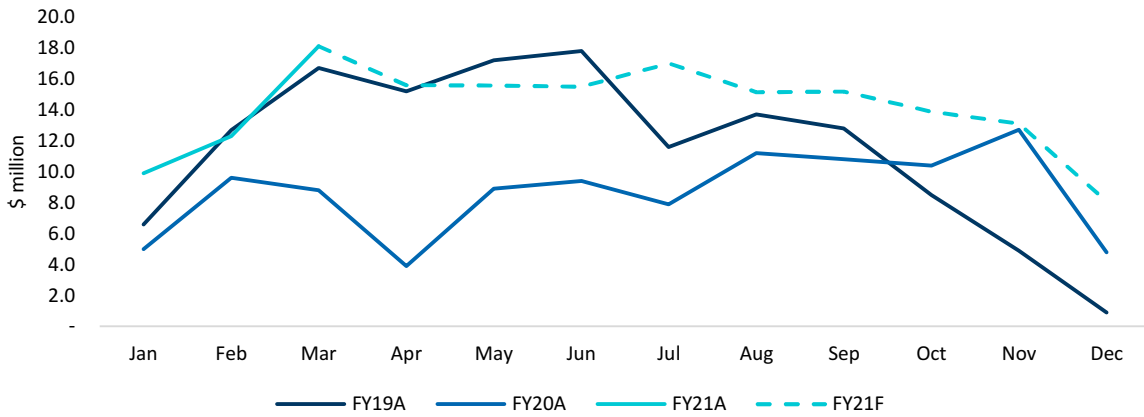
The figures below provide a graphical representation of the forecast monthly revenue, gross margin and EBITDA of FY21 RF1 Budget (including actuals for Q1FY21) against actual results for FY19 and FY20. As shown, the FY21 RF1 Budget has a strong correlation to the FY19 trend, but benefits from the strong actual performance in Q1FY21.

Figure 1: Revenue – FY19A v.s. FY20A v.s. FY21A v.s. FY21F



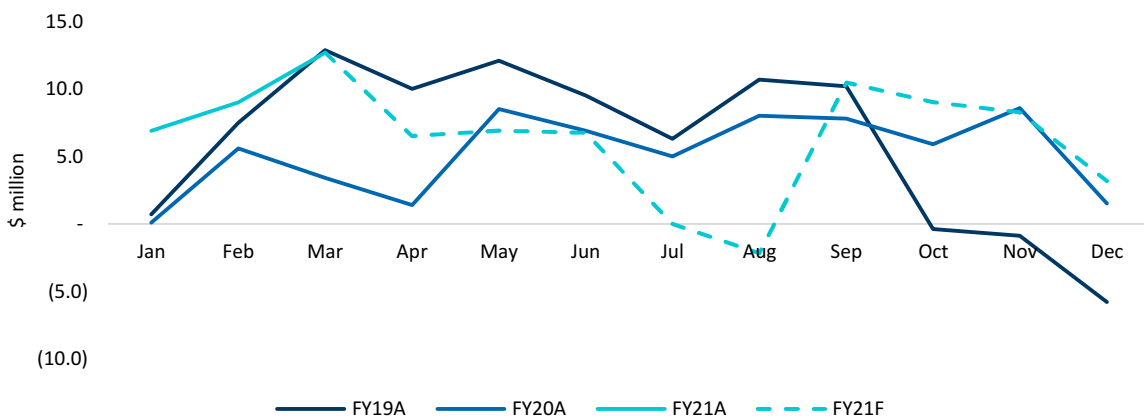
Source: FY21 RF1 Budget, management accounts

Figure 2: Gross margin – FY19A v.s. FY20A v.s. FY21A v.s. FY21F



Source: FY21 RF1 Budget, management accounts

Figure 3: Adjusted EBITDA – FY19A v.s. FY20A v.s. FY21A v.s. FY21F



Source: FY21 RF1 Budget, management accounts

While the forecast improvements in the FY21 RF1 Budget are material, I note that forecast revenue in the initial FY21 Group Budget was only 6.6% higher than FY19 actuals, an appropriate increase in an improving market. Additionally,

the further improvements in the FY21 RF1 Budget reflect the stronger than anticipated results of January 2021 to March 2021. On this basis I consider that the FY21 RF1 Budget appears reasonable and achievable and is a reasonable basis upon which to conduct a solvency analysis.

4.5.4 Long Term Forecast – FY21 to FY23

The Board of Directors of the Group have requested that I limit the disclosure of the Long Term Forecast, including some of key underlying assumptions, as it is commercially sensitive and confidential in nature.

There are a number of key assumptions that underpin the Long Term Forecast:

- Operational assumptions are based on the FY21 RF1 Budget;
- Revenue growth assumptions in FY22 and FY23 are below or broadly in line with the average forecast revenue growth for my identified comparable listed companies (excluding outliers) (see Section 6.4.1);
- Gross margin assumptions remain steady with FY21 at 20.0% across FY22 and FY23;
- Growth assumptions for direct and indirect SG&A are based on recent inflation rates with some minor additional real growth;
- The Schemes are completed on the RSA Date;
- TLA (\$162.0 million), TLB (\$195.3 million), SSNs (\$345.0 million) and SUNs (\$94.1 million) are effectively converted to equity and interest ceases to accrue on these facilities from the RSA Date;
- The Exit Financing of \$115.0 million is completed with 11.0% interest paid quarterly, original issue discount of 3.0% and no principal amortisation over the forecast period;
- Assumes a further \$5.0 million capital raise and \$0.5 million share repurchase as outlined in the RSA;
- Assumes no incremental tax liabilities related to Cancellation of Debt Income (“CODI”); and
- CAPEX of \$50.0 million in FY21, \$60.0 million in FY22 and \$95.3 million in FY23.

The Schemes are anticipated to provide material benefits to the Group’s trading position, in the form of:

- Lower debt servicing costs;
- An improved credit rating, which should flow through to improved terms from suppliers and enhanced ability to win long term contracts;
- Improved liquidity, creating more opportunities to invest in projects and capital expenditure; and
- Materially lower restructuring costs, which have been a cash burden on the Group over recent years.

All of the above assumptions are reflected, either directly or indirectly, in the Long Term Forecast.

Based on my review of the forecasts and the underlying assumptions, I consider them to be a reasonable basis upon which to conduct a solvency analysis.

4.6 Cash flow test

I have considered the ability of the Group to meet its commitments as they fall due by analysing the consolidated cash flow forecast included in the Long Term Forecast which incorporates the FY21 RF1 Budget.

The Long Term Forecast cash flow is set out below for the period 1 January 2021 to 31 December 2023, noting it includes actual results for January 2021 to March 2021, while Figure 4 details the forecast closing cash and liquidity available to the Group.

As discussed in Section 1.6, I have removed certain information relating to FY22 and FY23 from Table 10 below as it is commercially sensitive and confidential in nature.

Table 10: Forecast cash flow FY21 to FY23

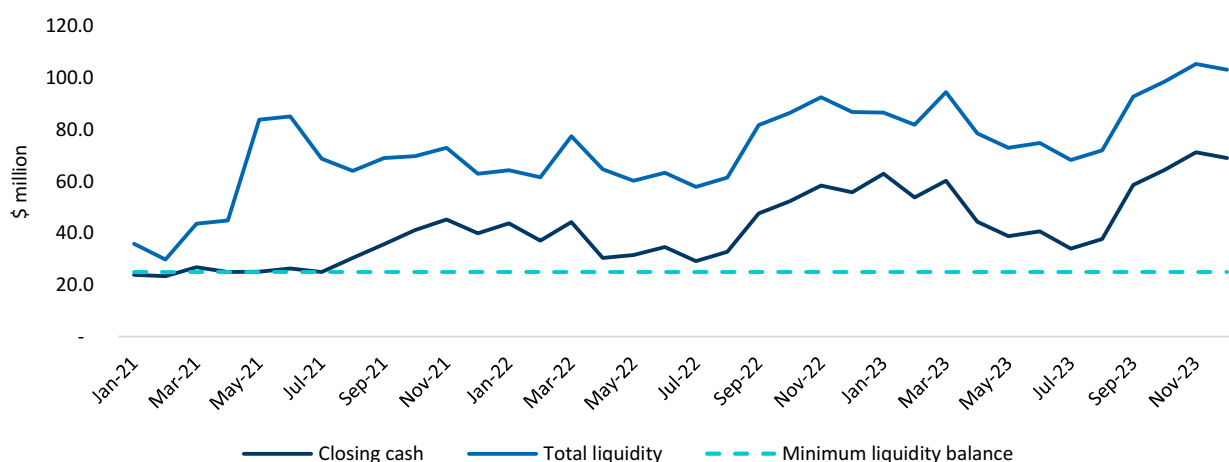
\$ million	Note	H1FY21	H2FY21	H1FY22	H2FY22	H1FY23	H2FY23	FY21F	FY22F	FY23F
Adjusted EBITDA (P&L)		60.4	55.6					115.9		
EBITDA adjustment	1	(1.4)	(1.8)					(3.2)		
Adjusted EBITDA (Cash Flow)		58.9	53.8					112.7		
Change in working capital	2	(35.5)	7.4					(28.1)		
Other		4.7	(1.6)					3.1		
Restructuring costs	3	(16.9)	(26.8)					(43.7)		<i>Commercially Sensitive</i>
Cash interest	4	(3.0)	(6.9)					(9.9)		
Cash taxes	5	(6.3)	(11.8)					(18.1)		
Operating cash flow		2.0	14.1					16.1		
CAPEX	6	(26.7)	(23.3)					(50.0)		
Proceeds from asset sales	1	1.3	1.8					3.1		
Investing cash flows		(25.5)	(21.5)					(46.9)		
Proceeds from debt issuance	7	-	111.6					111.6		
Share issuance / repurchase	7	-	4.5					4.5		<i>Commercially Sensitive</i>
Borrowings / (repayment)	7	26.7	(95.0)					(68.3)		
Financing cash flow		26.7	21.0					47.8		
FX		(0.4)	-					(0.4)		
Net cash in / (out)		2.9	13.6					16.5		
Opening cash		23.5	26.4					23.5		
Closing cash		26.4	40.0	34.6	55.8	40.7	69.0	40.0	55.8	69.0

Source: Long Term Forecast

Notes

- EBITDA adjustment/proceeds from asset sales:** Reflects a re-allocation of proceeds due to different treatment of proceeds from the sale of minor fixed assets. The Group has taken steps to sell excess assets including properties, fleet and rigs over recent years. These realisations have consisted of mostly aged fleet with very small (or nil) net book value resulting in the proceeds being allocated to the profit and loss statement ("P&L") under P&L sale of fixed assets. This exercise has now been exhausted, with the management of BLY ("Management") assuming a \$3.0 million annual collection of proceeds from assets tied to ongoing fleet management programs. The EBITDA adjustment occurs as the Group allocate these funds to Investing Cash Flows (Net Capital Investment) and not to EBITDA/Operating Cash Flows.
- Change in working capital:** Consolidated view on movements across trade receivables, trade payables and inventories. The Long Term Forecast shows a significant increase in the Group's working capital over the course of the Forecast Period, primarily due to trade receivables increasing materially over the first half of each financial year and then partially unwinding over the second half of each financial year, in line with the usual working capital cycle over a 12 month period. Inventories are forecast to remain relatively consistent while trade payables fluctuate month to month. The working capital cycle is applied consistently through the Forecast Period.
- Restructuring costs:** Forecast costs relating to the Schemes and associated restructuring.
- Cash interest:** Incorporates cash settlement of interest associated with the Exit Financing (assumptions based on anticipated terms given ongoing negotiations), PNC ABL, and lease arrangements.
- Cash taxes:** Includes income tax payable.
- CAPEX:** Assumes CAPEX of \$50.0 million in FY21, \$60.0 million in FY22 and \$95.3 million in FY23. The increase seeks to address what Management has flagged as an underinvestment in prior years. The scope and timing of the proposed CAPEX plan has been aligned to meet the forecast ability of the Group to self-fund CAPEX through operating cash flows. Management advise that the material increase in forecast FY23 CAPEX will help to improve performance in years beyond the forecast.
- Proceeds from debt issuance / share issuance / borrowings:** Refer to Table 12 for further details.

Figure 4: Long Term Forecast monthly cash and liquidity (1 January 2021 to 31 December 2023)



Source: Long Term Forecast

4.6.1 Key findings

The cash flow forecast contained in the Long Term Forecast anticipates that the Group will generate positive net cash over the Forecast Period and that month end cash will generally remain in line with, or above, the internal minimum balance requirement of \$25.0 million. The minimum liquidity balance requirement is used by the Group to ensure sufficient liquidity is maintained to meet any critical payments across the approximately 20 countries the Group operates in, and to avoid reliance on the timing of customer receipts to meet critical payments. In effect, the maintenance of the liquidity buffer reinforces the position of solvency as it creates a position whereby the Group should be able to meet debts as and when they fall due, even if there are unexpected events across the business.

While there is always a level of uncertainty in relation to the outlook for the mining sector given the cyclical nature and requirement for ongoing access to relatively scarce skilled human capital, the Long Term Forecast appears reasonable, taking into consideration my comments in Section 4.5.3 and Section 4.5.4.

In my opinion, while the FY21 RF1 Budget and the Long Term Forecast provided by the Group anticipates a material improvement in financial performance, the FY21 RF1 Budget and the Long Term Forecast have been prepared on a reasonable basis, having regard to historical trends in the business as well as the recent improvement in financial performance.

Additionally, Management are of the view that, following the implementation of the proposed Schemes, the Group is also anticipated to be in a better position to manage its working capital including obtaining more favourable trade terms from its suppliers. This potential benefit has not been factored into the Long Term Forecast.

On this basis, the Group is forecast to be solvent during the period FY21 to FY23 including the 12-month period immediately following the implementation of the Schemes.

The scope of my engagement has not incorporated a detailed review and interrogation of all the individual assumptions underpinning the Group's forecast models including the cash flow output of the Long Term Forecast, nor have the forecast models been independently audited. Accordingly, while the Group's Long Term Forecast indicates it to have month end liquidity of not less than \$29.9 million over the course of FY21 to FY23, I note the ability of the Group to meet its debts as and when they fall due, and remain solvent, is very much tied to its ability to:

- Achieve the EBITDA forecast assumed in the FY21 RF1 Budget and Long Term Forecast;
- Continue to realise \$3.0 million of surplus assets each year;
- Manage the collection of its debts across the global operational and not suffer any material deterioration in customer terms;

- Manage the payment of its trade suppliers month to month to match its liquidity position;
- Fund the capital expenditure required to sustain the existing drilling fleet in line with the FY21 RF1 Budget and Long Term Forecast; and
- Manage unexpected material interruptions to its business owing to weather, adverse movements in underlying commodity prices or other unforeseen events, over and above those that are able to be managed within its minimum liquidity balance.

Further, any material adverse outcome in relation to the Canadian tax dispute detailed in Section 4.2.2 that would require payment to be made prior to 31 August 2022 or shortly thereafter, or any material adverse issues arising in relation to potential tax risks disclosed in the explanatory statement, would impact upon the Group's solvency.

4.7 Balance sheet test

The 'balance sheet test' considers the net asset or liability position of an entity (or group of entities). This test is only to be viewed as being indicative of solvency as it represents the position of a company at a point in time, and does not take into account the future profitability or cash flows available to service debt obligations nor any ability to raise further equity or amend existing debt terms.

I set out below the Group's forecast consolidated balance sheets from the Long Term Forecast at the described dates including the RSA Date. The balance sheets assessed were prepared by Management as part of the Long Term Forecast model and include the anticipated adjustments to reflect the outcome of the Schemes. Certain information pertaining to FY22 and FY23 has been removed from Table 11 as it is commercially sensitive and confidential in nature.

The balance sheet represents a consolidation of the assets and liabilities of the Group.

Table 11: Consolidated forecast balance sheet

\$ million	Jun-21	Aug-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23
Cash	26.4	30.4	40.0				
Trade and other receivables	145.7	145.3	124.9		<i>Commercially Sensitive</i>		
Inventories	167.8	168.0	169.7				
Other current assets	12.2	15.6	15.4				
Total current assets	352.1	359.3	350.0				
PP&E	158.4	160.5	159.5				
Goodwill	105.4	105.4	105.4		<i>Commercially Sensitive</i>		
Other non-current assets	61.1	61.1	61.1				
Total non-current assets	324.9	327.0	325.9				
Total assets	677.0	686.3	676.0				
Trade and other payables	(74.4)	(80.5)	(58.8)				
Provisions	(87.5)	(87.5)	(87.5)		<i>Commercially Sensitive</i>		
Current borrowings	(10.7)	(10.7)	(10.7)				
Other current liabilities	(41.8)	(41.2)	(33.2)				
Total current liabilities	(214.4)	(219.9)	(190.2)				
Non-current borrowings	(938.4)	(168.5)	(161.9)		<i>Commercially Sensitive</i>		
Other non-current liabilities	(18.6)	(18.6)	(18.6)				
Total non-current liabilities	(957.1)	(187.2)	(180.6)				
Total liabilities	(1,171.5)	(407.0)	(370.8)				
Net assets / (liabilities)	(494.5)	279.2	305.2	333.0	351.7	384.2	408.2
KPIs							
<i>Current ratio (times)</i>	1.6x	1.6x	1.8x	2.0x	2.0x	2.1x	2.2x
<i>Debt/Forecast Adjusted EBITDA (times)</i>	8.2x	1.5x	1.5x	1.3x	1.3x	1.0x	0.9x
<i>Debt/Forecast EBITDA (times)</i>	13.1x	2.5x	2.4x	1.3x	1.3x	1.0x	0.9x

Source: Long Term Forecast

The table below summarises the restructured balance sheet at RSA Date:

Table 12: Forecast consolidated balance sheet at 31 August 2021 - Prior to and post restructure

\$ million	Pre-restructure	Exit Financing	Debt reduction	Debt cancellation	Share Purchase Plan	Post-restructure
Cash	26.7	111.6	(112.4)	-	4.5	30.4
Accounts receivable	135.0	-	-	-	-	135.0
Other receivables	10.3	-	-	-	-	10.3
Inventories	168.0	-	-	-	-	168.0
Other financial assets	-	-	-	-	-	-
Current tax receivable	0.1	-	-	-	-	0.1
Assets held for sale	0.3	-	-	-	-	0.3
Prepaid & other current assets	11.8	3.5 ¹	-	-	-	15.3
Total current assets	352.2	115.0	(112.4)	-	4.5	359.3
PP&E	160.5	-	-	-	-	160.5
Goodwill	105.4	-	-	-	-	105.4
Other intangibles	32.6	-	-	-	-	32.6
Deferred tax assets	12.8	-	-	-	-	12.8
Non-current tax receivable	1.6	-	-	-	-	1.6
Other financial assets	14.1	-	-	-	-	14.1
Total non-current assets	327.0	-	-	-	-	327.0
Total assets	679.1	115.0	(112.4)	-	4.5	686.3
Trade payables	(64.5)	-	-	-	-	(64.5)
Other payables	0.0	-	-	-	-	0.0
Interest payable	(14.3)	-	-	-	-	(14.3)
Provisions	(14.3)	-	-	-	-	(14.3)
Current income tax payable	(1.6)	-	-	-	-	(1.6)
Loans & borrowings (current)	(10.7)	-	-	-	-	(10.7)
Other current liabilities	(41.2)	-	-	-	-	(41.2)
Total Current Liabilities	(146.7)	-	-	-	-	(146.7)
Loans & borrowings (non-current)	(962.3)	(115.0)	112.4	796.5	-	(168.5)
Other financial liabilities	-	-	-	-	-	-
Deferred tax liabilities	(18.6)	-	-	-	-	(18.6)
Provisions	(73.2)	-	-	-	-	(73.2)
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	(1,054.2)	(115.0)	112.4	796.5	-	(260.4)
Total liabilities	(1,200.9)	(115.0)	112.4	796.5	-	(407.0)
Equity	521.7	-	-	(796.5)	(4.5)	(279.2)
Total liabilities & equity	(679.1)	(115.0)	112.4	-	(4.5)	(686.3)

Source: Long Term Forecast. Note: Figures are presented on a net basis

¹ Original issue discount expected to be paid as part of the terms and conditions of the Exit Financing

The table below summarises the restructured debt balances at RSA Date:

Table 13: Forecast debt balances at 31 August 2021 - Prior to and post restructure

\$ million	Pre-restructure	Exit Financing	Debt reduction	Debt cancellation	Post-restructure
PNC ABL	29.7	-	-	-	29.7
Incremental Financing	50.0	-	(50.0)	-	-
Back stop ABL	62.4	-	(62.4)	-	-
TLA	162.0	-	-	(162.0)	-
TLB	195.3	-	-	(195.3)	-
Capital Leases	37.6	-	-	-	37.6
SSNs	345.0	-	-	(345.0)	-
SUNs	94.1	-	-	(94.1)	-
Exit Financing	-	115.0	-	-	115.0
Other	(3.1)	-	-	-	(3.1)
Total Finance Facilities	973.0	115.0	(112.4)	(796.5)	179.2

Source: Long Term Forecast

4.7.1 Net asset / (liability) position

As at 30 June 2021, the Group is forecast to have a net liability position of \$494.5 million, which reflects the current over-leveraged position of the Group, and a current ratio of 1.6 times.

Upon completion of the Schemes at 31 August 2021, the Group is forecast to be in a net asset position of \$279.2 million reflecting the release of \$795.0 million in debt from the balance. While the current ratio is forecast to improve in 2HFY21 and beyond, the current ratio at RSA Date remains at 1.6 times, which indicates the Group has sufficient liquid or current assets to meet its short term liabilities – essentially that it can meet its liabilities from day to day trading.

4.7.2 Key findings

Prior to the Schemes being implemented, the Group forecasts a significant debt burden with a debt to EBITDA ratio of 13.1 times at 30 June 2021 (debt to Adjusted EBITDA ratio of 8.2 times). At the RSA Date, this ratio reduces to 2.5 times. Therefore, while the current ratio remains steady and greater than one post effectuation of the Schemes, the reduction in the debt to EBITDA ratio indicates the current level of financial distress experienced by the Group is as a result of the level of external financing debt it is currently carrying (and the associated ongoing maturities), as opposed to an endemic shortage of working capital caused from day to day trading. Effectuation of the Schemes will alleviate this debt burden and any associated liquidity issues caused by the payment of interest on these material balances and the ongoing maturity profile.

As outlined in Section 4.6.1, I am of the opinion that the Group will be solvent immediately after the Schemes are implemented due to the forecast liquidity position detailed in Section 4.6. My opinion is supported by the balance sheet assessment that sees the Group transition from a net liability position of \$494.5 million at 30 June 2021 to a net asset position of no less than \$279.2 million over the Forecast Period.

4.8 Profitability test

4.8.1 Profitability overview

To further understand the profitability of the Group, I have summarised the Group's forecast NPAT between FY21 and FY23 below. As discussed in Section 1.6, I have removed certain information relating to FY22 and FY23 from Table 14 below as it is commercially sensitive and confidential in nature, however, I have still provided a high-level description of the Group's profitability in both of these periods.

Table 14: Forecast NPAT FY21 to FY23

\$ million	FY21F	FY22F	FY23F
EBIT	27.7		
Interest	(70.8)		
Tax	(11.8)		
CODI	796.5		
NPAT	741.5	Commercially Sensitive	
Adjustments to arrive at normalised NPAT			
<i>Less:</i>			
CODI	(796.5)		
<i>Add back:</i>			
Restructuring costs	43.7		
Adjustment for interest expense reduction	52.8		
Normalised NPAT	41.5	Commercially Sensitive	

Source: Long Term Forecast. Note: Figures are as reported

With regard to the underlying forecast profitability of the Group, I note the following:

- FY21 incorporates the P&L benefit associated with the Cancellation of Debt Income. Absent this benefit, the Group is forecast to incur a net loss after tax of \$54.9 million.
- FY21 includes a material interest cost associated with the pre-restructure debt position, the vast majority of which will be extinguished as a consequence of the effectuation of the Schemes. The benefit associated with the debt restructure is evident by the reduction in interest expense from \$70.8 million in FY21 to the materially lower levels forecast in FY22 and FY23.
- Based on the Long Term Model, the Group is forecast to generate positive after tax profits in both FY22 and FY23, improving year on year on the after tax profit of \$41.5 million forecast for FY21.

The underlying and improving profitability of the Group indicates an ability for the Group to meet its ongoing liabilities from day to day operations, with surpluses available to boost retained earnings and be available for reinvestment into the business to assist it achieving its growth plans.

4.8.2 Key findings

I am of the opinion that the Group will be solvent immediately after the Schemes are implemented due to the forecast liquidity position detailed in Section 4.6, supported by the balance sheet assessment outlined in Section 4.7. This opinion is further supported by the forecast profitable trading over the forecast period.

4.9 Other considerations

I have also considered the non-exhaustive list of insolvency indicators outlined in ASIC v Plymin (2003) referred to in Section 4.3.5.

A number of these factors (i.e. continuing losses and liquidity ratios less than 1.0 times) have been addressed in Sections 4.5 to 4.8. Of the other relevant factors, I provide commentary below:

Table 15: Insolvency indicators

Factor	FTI Consulting comment	Present post effectuation
Poor relationship with lenders	The Group has signed an RSA with the majority of lenders thereby confirming support for the Schemes.	No
No access to alternative finance	The Group is well advanced to secure the Exit Financing that is to be a condition precedent to the Schemes.	No
Inability to raise further funding	The Schemes effectively recapitalise the Group, while the Exit Financing is well advanced.	No
Cash on delivery	I have sighted no evidence of suppliers demanding cash on delivery.	No
Special arrangements	Outside of the RSA, there is no evidence of special arrangements with creditors.	No

Source: the Group, RSA, FTI Consulting analysis

4.10 Adequacy of books and records

Section 286(1) of the Act requires a company to keep books and records that:

- Correctly record and explain its transactions and financial position and performance; and
- Would enable true and fair financial statements to be prepared and audited.

Section 588E(4)A of the Act states that in the event of recovery proceedings, a failure by the company to comply with Section 286(1) carries a presumption that the company was insolvent for the relevant period.

I note this Report was prepared from the books and records made available by the Group. The Group was audited by Deloitte for FY20 and the audit report does not identify any deficiency in the Group's books and records. I do not consider there are grounds for a presumption of insolvency pursuant to section 588E(4)A of the Act.

4.11 Conclusion on solvency

In my opinion, the Group will be solvent after the implementation of the Schemes subject to the qualifications in Section 4.2.

5. Valuation method and approach

5.1 Introduction

I am required to assess the value of the assets of the Group relative to the debts owing so as to support the calculation of the Implied Value and the expected dividend to the Secured Scheme Creditors and the Unsecured Scheme Creditors, in the differing scenarios set out in Section 7 and Section 8.

In this section I set out:

- My compliance with APES 225 Valuation Services;
- The Valuation Date;
- The premises of value applied;
- The definitions (or standards) of value applied;
- The methods and approaches I view to be most appropriate for my valuations;
- My reasoning for selecting the methods and approaches applied; and
- Limitations to my analysis.

There is no guidance for preparing independent expert's reports in the context of Creditors' Schemes of Arrangement. I note that ASIC has published guidance by way of regulatory guides for, amongst other things, transactions and schemes of arrangements involving members and the preparation of independent expert's reports for transactions involving members of companies. In the absence of any guidance for the preparation of independent expert's reports for creditors' schemes of arrangement, I have had reference to some of ASIC's RGs, where I consider appropriate. Some of the RGs that I have referred to are:

- RG 60 'Schemes of Arrangement' ("RG 60");
- RG 111 'Content of Expert's Reports' ("RG 111"); and
- RG 112 'Independence of Experts'.

There is also no guidance on preparing valuations in the context of independent expert's reports. I have regard to RG 111 and RG 112 in preparing my valuation. Additionally, I have prepared my valuation having regard to the framework, requirements, and principles in the International Valuation Standards (published on 31 July 2019, with an effective date of 31 January 2020).

5.2 Compliance with APES 225

I have prepared this Report in accordance with the guidelines set out in APES 225 'Valuation Services'.

For reasons outlined in Section 1.9, this Report constitutes a Limited Scope Valuation Engagement under APES 225, which is defined as²:

"... an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the scope of work is limited or restricted. The scope of work is limited or restricted where the Member is not free, as the Member would be but for the limitation or restriction, to employ the Valuation Approaches, Valuation Methods and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time, and it is reasonable to expect that the effect of the limitation or restriction on the estimate of value is material. A limitation or restriction may be imposed by the Client or Employer or it may arise from other sources or circumstances. A limitation or restriction may be present and known at the outset

² APES 225 'Valuation Services' Revised July 2019, page 4

of the Engagement or Assignment or may arise or become known during the course of a Valuation Engagement.”

5.3 Valuation date

The valuation has been undertaken as at 25 May 2021 (“Valuation Date”).

While I have adopted market-based data, I have also assessed whether changes in market data between the Valuation Date and the Report Date would have had an impact on my conclusions. Based on my assessment, I am of the opinion that the changes in market-based data would not have a material impact on my conclusions.

5.4 Premise of value

I have selected the following premises of value:

- Going concern assuming that the Schemes are approved. According to the Australian Accounting Standards Board (“AASB”), going concern means an entity is continuing in operation for the foreseeable future. Under this scenario, it is assumed that the entity has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.
- Going concern assuming the Schemes are not approved. Under this scenario, I assume an orderly liquidation under a controlled insolvency where a liquidator is assumed to sell the business as a whole within a reasonable amount of time³.
- Forced sale under an uncontrolled insolvency assuming a piecemeal, entity-by-entity realisation of assets, where a proper marketing period is not practical⁴.

5.5 Standard of value

For the purposes of my going concern valuations, I have used ‘fair value’ defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious [Vendor], acting at arm’s length”.

RG 111.15 advises that fair value should be calculated on the basis of a “knowledgeable and willing, but not anxious, seller”.

ASIC suggests that the expert valuer should not consider any ‘special value’ that might accrue to the acquirer. Therefore, I have not considered special value in forming my opinion.

Special value is the amount that a potential acquirer may be prepared to pay for an asset in excess of the fair value. This premium represents the value to the potential acquirer of various factors that may include potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally.

5.6 Valuation methods

Below are the commonly used valuation methods that a valuer considers when valuing assets or securities:

- The discounted cash flow method;
- The capitalisation of earnings method, capitalising a level of earnings or cash flows, using an appropriate earnings/capitalisation multiple;

³ International Valuation Standards 104 ‘Bases of Value’ (2019), paragraph 160

⁴ Ibid, paragraph 170

- The net assets method, being the amount available for distribution to security holders on an orderly realisation of assets;
- Any recent genuine offers received by the target for any business units or assets as a basis for the valuation of those business units or assets. This method is typically used as a cross-check to any of the above methods; and
- The quoted market price method for the listed securities when there is a liquid and active market. This method is typically used as a cross-check to any of the above methods.

Each of the above methods may be appropriate in certain circumstances. The decision as to which method to apply generally depends on the nature of the business being valued, the availability of appropriate information, and the method most commonly adopted in valuing such a business. Further details on these methods are set out in Appendix G of this Report.

A valuer is not prescribed the method(s) they should use. The decision as to which method to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question, and the availability of relevant information.

Different methods are appropriate for valuing particular companies, based on the individual circumstances of that company and available information.

5.7 Valuation methods

In the selection of the appropriate valuation method to apply, I have considered the following:

- The methods set out above at Section 5.6;
- The premise of value of the Group. That is, whether the Group is assumed to continue as a going concern or not in each of my valuation scenarios;
- The historical financial results of the Group, the Group's strategy and financial projections, and other tax and legal documentation provided by Management;
- Discussions held with Management and their advisors in order to understand the business, as well as its historical and projected financial performance;
- The financial projections prepared by Management (i.e. the Long Term Forecast);
- A review of publicly available valuation benchmarks, comparable listed company information, and comparable company transactions; and
- A review of, and analysis on, industry and economic papers regarding historical and anticipated performance of the industry (refer to Appendix J).

5.7.1 Going concern scenarios

I have adopted the capitalisation of earnings method as the primary method to estimate the Enterprise Value ("EV") of the Group. I have selected this method because the Group:

- Is relatively mature;
- Has a track record of positive EBITDA over the last 10 years;
- Is forecast to be profitable in FY21 to FY23; and
- Has sufficiently comparable listed companies in the market from which to derive benchmark multiples.

As a cross-check, I have applied the discounted cash flow method using the financial projections provided by Management.

I have selected the discounted cash flow as a cross check because:

- Management has prepared cash flow projections for FY21 to FY23 (i.e. the Long Term Forecast). It is preferable to use a longer forecast period of five to 10 years. I understand that longer term projections are not available;
- The Long Term Forecast includes a change in the growth profile of the Group, with rapid revenue growth in FY21 of 29.7%, followed by lower (but still material) further revenue growth in FY22 and FY23 respectively; and
- The Long Term Forecast includes material capital expenditure in FY21 to FY23, required to achieve the performance improvements, adding additional uncertainty.

In my calculation of the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act, I have considered two scenarios. The first scenario applies an 'Orderly Liquidation' premise of value, which is defined under International Valuation Standards ("IVS") 104 'Bases of Value' ("IVS 104") paragraph 170.1 as:

"An orderly liquidation describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis."

5.7.2 Uncontrolled Insolvency Scenario

In the second of my two scenarios, in which the Scheme Companies are wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act, I have applied a 'Forced Sale' premise of value, which is characterised in IVS 104 paragraph 170.1 as being "often used in circumstances where a seller is under compulsion to sell and that, as consequence, a proper marketing period is not possible".

In this scenario, I have drawn upon my experience in undertaking formal external administration engagements, specifically, voluntary administrations and receiverships, when reviewing the projections of the expected realisable values (as opposed to stated book values) to the classes of the Group's assets.

5.8 Limitations

By its very nature, the formulation of a valuation assessment necessarily contains significant uncertainties, and the conclusions arrived at in many cases will be subjective and dependent on the exercise of professional judgment. Therefore, there is no indisputable value and I normally express my valuation opinion as falling within a likely range.

6. Valuation assuming Schemes approved

6.1 Overview and findings

In this section of the Report, I summarise my valuation research, assumptions, and calculations in applying the capitalisation of earnings method as my primary method and discounted cash flow method as my cross-check.

The table below summarises my estimate of EV under the capitalisation of earnings method assuming the Schemes are put into effect as proposed:

Table 16: Valuation using the capitalisation of earnings method (Schemes are approved)

\$ million	Low	High	Middle
Future maintainable earnings (EBITDA)	115.9	115.9	115.9
EBITDA multiple (no control) (times)	3.4x	3.6x	3.5x
EV	394.2	417.4	405.8

Source: S&P CapitalIQ, FTI Consulting analysis

Based on my analysis (detailed further below), it is my opinion that the fair value of the EV of the Group is between \$394.2 million and \$417.4 million.

For the purposes of calculating the Implied Value or expected dividend to the Secured Scheme Creditors and Unsecured Scheme Creditors in Section 7.2 and Section 8.4, I have used the mid-point of this range, being an EV of \$405.8 million.

Based on my analysis (detailed further below), under the discounted cash flow method, which I have used as a cross-check to the capitalisation of earnings method detailed above, I have estimated the fair value of the EV of the Group as being between \$376.5 million and \$444.9 million. This supports my valuation under the capitalisation of earnings method.

6.2 Capitalisation of earnings method

The capitalisation of earnings method estimates the value of a business by multiplying an estimate of expected earnings by a pricing multiple. The multiple should reflect the business' outlook including future growth prospects, risks, the industry's outlook, investor required returns and expectations, and other factors.

The capitalisation of earnings method requires assessments of:

- Expected earnings; and
- A capitalisation multiple, which may be derived by reference to earnings multiples implied by the share prices of selected comparable listed companies, or by reference to prices paid for comparable companies in merger and acquisition transactions.

The capitalisation of earnings method often considered a surrogate for the discounted cash flow method, where growth and risk assumptions explicitly reflected in the discounted cash flow are instead implicitly captured in a single earnings multiplier.

The capitalisation of earnings method results in estimates of the debt-free, cash-free value of the Group's business, also referred to as its EV.

6.3 Expected earnings

6.3.1 Overview

My capitalisation of earnings valuation analysis is based on a capitalisation of expected EBITDA.

I have selected EBITDA in preference to EBIT because EBIT is affected by depreciation and amortisation policies, which may be different between the Group and the selected comparable listed companies used to derive capitalisation multiples.

In order to analyse the underlying financial performance of the Group's business and to estimate a measure of maintainable earnings for the application of a capitalisation multiple, EBITDA should be adjusted in order to:

- Exclude the impact of nonoperating items, i.e. income or expenditure that does not relate to the normal operations of the business, which may be, for example:
 - Discretionary in nature; or
 - Related to surplus assets or liabilities; and
- Exclude the impact of non-recurring items, i.e. income or expenditure of a once-off or abnormal nature.

6.3.2 Historical EBITDA

As set out in Section 4.5, the Group reports Adjusted EBITDA ("Adjusted EBITDA") for FY17 to FY20 that excludes significant items such as:

- Recapitalisation/restructuring costs (including employee and related costs);
- Impairments;
- Legal provisions; and
- Once-off onerous expenses.

Based on my review of these items, as disclosed in the annual financial statements, and from my discussions with Management, I consider that adjustments to exclude these items are appropriate because they are not expected to occur after the Schemes are approved.

The Group commenced reporting under AASB 16 'Leases' ("AASB 16") in FY19. AASB 16 came into effect on 1 January 2019. I have adjusted EBITDA for FY11 to FY18 to reflect AASB 16 for comparability to FY19 and FY20 earnings reported by the Group. The impact of AASB 16 is to increase reported EBITDA because lease expenses are instead recorded as depreciation and finance charges.

I have also made two further adjustments to the Adjusted EBITDA reported by Management ("FTI Adjusted EBITDA"):

- **Gain on sale of assets:** Management have advised they expect gain on sale of assets to be approximately \$3.0 million on average going forward. I have adjusted historical gain on sales of assets to be \$3.0 million in each period; and
- **Value-added tax ("VAT") write-off:** There was an adjustment for VAT write-offs in FY13 to FY18 of approximately \$4.0 million included in Adjusted EBITDA. Management has indicated they do not expect the VAT write-off to occur in future years. I have therefore excluded these amounts in historical periods.

6.3.3 Analysis of FTI Consulting Adjusted EBITDA

Below is a summary of FTI Consulting Adjusted EBITDA and the resulting implied EBITDA margins:

Table 17: Analysis of FTI Adjusted EBITDA

Period	[A] Revenue (\$'m)	[B] Revenue growth (%)	[C] Adjusted EBITDA (\$'m)	[D] AASB 16 Adj. (\$'m)	[E] Adj. for gain on sale (\$'m)	[F] VAT write-off (\$'m)	[G] = [C+D-E+F] FTI Adj. EBITDA (\$'m)	[H]=[G/A] FTI Adj. EBITDA margin (%)
FY11A	2,020.3	n/a	356.3	37.7	0.2	-	393.8	19.5%
FY12A	2,010.0	(0.5%)	321.9	32.3	0.1	-	354.1	17.6%
FY13A	1,222.9	(39.2%)	107.2	35.8	15.2	1.4	129.3	10.6%
FY14A	866.6	(29.1%)	31.4	24.7	4.6	4.5	56.0	6.5%
FY15A	735.2	(15.2%)	(0.1)	21.8	(0.9)	4.8	27.4	3.7%
FY16A	642.4	(12.6%)	32.0	18.2	5.9	2.9	47.1	7.3%
FY17A	739.1	15.0%	43.1	15.8	3.6	3.3	58.5	7.9%
FY18A	770.2	4.2%	80.7	25.7	4.9	2.9	104.4	13.6%
FY19A	745.0	(3.3%)	87.3	-	3.8	-	83.5	11.2%
FY20A	657.3	(11.8%)	60.1	-	2.8	-	57.3	8.7%
FY21F	852.8	29.7%	115.9	-	n/a	-	115.9	13.6%
FY22F				Commercially Sensitive				
FY23F				Commercially Sensitive				

Source: the Group's annual reports, FTI Consulting analysis

As in previous sections of this Report, I have removed information relating to FY22 and FY23 from Table 17 above as it is commercially sensitive and confidential in nature.

I make the following comments in relation to the table above.

6.3.4 Revenue

Prior to FY14, the Group generated over \$1.2 billion in revenue, with revenue decreasing to \$657.3 million by FY20.

In mid-FY12, at the end of the global mining boom caused by the industrialisation and urbanisation of the Chinese economy⁵, mining companies reduced exploration programs and capital expenditure budgets, which reduced the revenue generated by the Group. The contraction of the mining industry continued throughout FY13 and the first half of FY14, with volatility in the commodities markets also affecting the Group's financial performance. These lower levels of mineral exploration, development and production continued through to the end of FY14, though the rate of reduction slowed during the second half of FY14, stabilising at lower levels⁶.

Whilst revenue increased in FY17 and FY18, it decreased slightly in FY19 and FY20.

Revenue increased in FY17 and FY18 due to strengthening sentiment in the mining industry, resulting in improved spending on exploration and development:

- In FY17, Drilling Services revenue increased by 11.8% due to improvements in volume (surface coring and reverse circulation/rotary in the USA, and increases in existing customers' programs in LAM and EMEA) and foreign exchange rates⁷; and
- In FY18, Drilling Services revenue increased by 6.6%, primarily driven by volume (driven by surface coring and underground coring work in the Australia, EMEA, and LAM)⁸.

⁵ RBA Speech 'After the Boom', 13 September 2016

⁶ The Group's annual reports

⁷ BLY FY17 Annual Report

⁸ BLY FY18 Annual Report

Revenue decreased in FY19 due to significant mergers and acquisitions within the mining industry which resulted in delayed mineral exploration projects and reduced overall market activity⁹:

- Drilling Services revenue decreased by 3.2% because of lower volume, primarily due to existing customers cancelling or significantly reducing their programs; and
- Products revenue decreased by 3.3% due to lower revenues generated from coring tooling and production tooling relative to the prior period.

Revenue decreased by 11.8%, or \$87.7 million in FY20, primarily due to the impacts of COVID-19 which immediately caused revenues and earnings to materially decrease. The initial impacts of COVID-19 in March 2020 and April 2020 were in the forms of project cancellations, deferrals, and stoppages¹⁰:

- Drilling Services revenue decreased by 11.6% in FY20, driven by the COVID-19 pause through the second and third quarters of FY20 as governments and customers restricted activities while developing safe work practices to protect employees from the transmission of COVID-19. Canada, Australia, Asia, and Africa recovered more quickly from COVID-19 restrictions than the United States, Chile, and Argentina.
- Products revenue decreased by 12.1% in FY20. Revenues generated from capital equipment, spares, and production tooling were the main drivers contributing to weaker revenue in FY20 relative to the previous financial year. The decrease in revenues across these product lines were primarily a result of decreased demand in the second and third quarters of FY20 due to COVID-19, which drove governments and customers to delay project activity while they implemented safe work practices to reduce the transmission of COVID-19.

At Section 4.5.3 of this Report I set out the Company's year-to-date ("YTD") March 2021 financial performance. According to Management, the Group has experienced the strongest start to a year since FY14, with revenue increases of approximately 22% as compared to the same period in FY20.

6.3.5 Margins

The Group's historical margins have fluctuated and generally decreased over the period from FY11 to FY17 (in line with the decrease in revenue). According to Management, the decrease in margins was due to¹¹:

- Increased competition, particularly for Drilling Services. In order to remain competitive, the Group reduced prices without a corresponding decrease in expenses, which put pressure on margins. This was exacerbated by periods of low utilisation rates; and
- Decreasing volumes, resulting in lower revenue. The Group was unable to reduce costs in line with reduced demand.

Margins improved in FY18 and FY19 due to cost savings from key improvement initiatives as well as improved margins on fixed costs. Margins increased in FY18 primarily driven by disciplined cost controls (both in variable and fixed SG&A)¹²:

- In Drilling Services, Management focused on improving meters per shift, non-billable hours and revenue per shift while reducing variable and fixed costs to maintain a flat cost structure from a percentage of revenue perspective; and
- In Products, Management operated manufacturing facilities at lean levels, only producing what was required to meet market demand.

⁹ BLY FY19 Annual Report

¹⁰ BLY FY20 Annual Report

¹¹ BLY annual reports

¹² Ibid

Margins in FY19 were lower than FY18. According to Management, this was mainly attributable to revenues decreasing for Drilling Services (from \$533.6 million in FY18 to \$516.3 million in FY19)¹³.

Margins decreased in FY20 due to the drop in activity levels resulting from the emergence of COVID-19¹⁴. The Group implemented a number of measures to reduce the impact of the lower activity levels, however, it was not able to mitigate the full impact of COVID-19 across regions¹⁵:

- The profit margin of Drilling Services in FY20 was significantly lower than prior years. According to the Group, the decrease in margins was primarily attributable to COVID-19 impacts and an inability to reduce costs commensurately, as governments and customers delayed projects to develop plans to support safe work practices and protect employees and communities from the transmission of COVID-19; and
- The margin in FY20 for Products increased from 6.4% in FY19 to 8.1% in FY20. Product volume decreases were offset by benefits achieved from cost control in both variable and fixed SG&A, including COVID-19 related payroll reductions implemented through the first half of 2020, and material cost improvements. The Group also continued to operate manufacturing facilities at lean levels, only producing what was required to meet market demand.

EBITDA margins are projected by the Group to improve in FY21 to FY23. At Section 4.5.3 of this Report I discuss YTD March 2021 performance. Management has advised:

- Q1 2021 Adjusted EBITDA was \$17 million higher year-over-year (\$26 million Q1FY21 v.s. \$9 million Q1FY20) and \$6 million higher than the FY21 Group Budget; and
- April results were in line with the first quarter outperformance.

6.3.6 Forecast revenue and FTI Adjusted EBITDA

Table 18 below summarises the projected revenue and FTI Adjusted EBITDA assuming that the Scheme is approved (with a comparison to FY19 and FY20). As discussed in Section 1.6, I have removed certain information relating to FY22 and FY23 as it is commercially sensitive and confidential in nature, however, I have still provided a high-level description of the Group's forecasts in both of these periods.

Table 18: Forecast revenue and FTI Adjusted EBITDA

Item	FY19A	FY20A	FY21F	FY22F	FY23F
Revenue (\$'m)	745.0	657.3	852.8		
Revenue growth (%)	n/a	(11.8%)	29.7%		
Revenue growth FY19A to FY21F (%)	n/a	n/a	14.5%	Commercially Sensitive	
FTI Adjusted EBITDA (\$'m) ¹⁶	83.5	57.3	115.9		
FTI Adj. EBITDA Margin (%)	11.2%	8.7%	13.6%		

Source: Long Term Forecast, the Group's annual reports, FTI Consulting analysis

I make the following comments in relation to the table above:

- Management are forecasting an increase in revenue from FY20 to FY21 of approximately 30%. According to Management, growth will be underpinned by expected growth in demand for commodities, with:
 - Continuing trends towards green energy production and consumption, driving demand for key commodities such as copper;
 - Increased traction in electrification of the world's vehicle fleets;

¹³ BLY FY19 Annual Report

¹⁴ BLY FY20 Annual Report

¹⁵ Ibid

¹⁶ Adjusted EBITDA is generated from the Adjusted EBITDA reported by Management with additional adjustments for gain on sale of fixed assets and VAT write-off (where applicable)

- Continued industrialisation and urbanisation of developing economies, which are expected to support structural increases in demand for minerals and metals broadly in line with global gross domestic product (“GDP”);
- Improving cash and balance sheet strength of key customers;
- Reduced reserve to production ratios at many gold mines, and diminishing opportunities for major producers to replace reserves through acquisition, that will underpin growth in exploration drilling services; and
- Growing attractiveness of the commodities/mining sector as an investment asset class.

I provide more analysis of the growth in the drilling services industry in Appendix J of this Report.

- FY20 revenue was impacted by COVID-19. The FY21 forecast revenue of \$852.8 million is 14.5% higher than FY19 revenue;
- Management are forecasting further revenue growth in both FY22 and FY23, albeit at a lower level than what has been forecast for FY21. This revenue growth is above levels recorded during FY18 (noting the Group recorded a reduction in revenue in both FY19 and FY20), but is broadly in line with the average forecast revenue growth for my identified comparable listed companies (excluding outliers) (see Section 6.4.1);
- Management are forecasting gross margins of approximately 20%, which is similar to the gross profit margins in FY19 of 18.6% (see Appendix K);
- SG&A is projected to increase in FY22 and FY23 by a growth rate slightly above recent inflation; and
- This translates into further improvements in FTI Adjusted EBITDA margins in both FY22 and FY23, driven by significantly higher volumes, cost savings from key improvement initiatives, and cost controls (both in variable and fixed SG&A).

6.3.7 Normalised level of earnings based on historical financial performance

The table below summarises revenue and FTI Adjusted EBITDA for FY17 to FY20:

Table 19: Normalised level of earnings based on historical financial performance

Item	FY17A	FY18A	FY19A	FY20A
Revenue (\$'m)	739.1	770.2	745.0	657.3
Revenue growth (%)	n/a	4.2%	(3.3%)	(11.8%)
Avg. revenue for FY18A and FY19A (\$'m)	n/a	n/a	757.6	n/a
FTI Adjusted EBITDA (\$'m)	58.5	104.4	83.5	57.3
Avg. FTI Adj. EBITDA FY18A and FY19A (\$'m)	n/a	n/a	94.0	n/a
Growth in FTI Adj. EBITDA (%)	n/a	78.5%	(20.0%)	(31.4%)
FTI Adj. EBITDA Margin (%)	7.9%	13.6%	11.2%	8.7%
Avg. FTI Adj. EBITDA Margin FY18A and FY19A (%)	n/a	n/a	12.4%	n/a

Source: the Group's annual reports, FTI Consulting analysis

FTI Adjusted EBITDA in FY20 of \$57.3 million was 31.4% lower than FY19 FTI Adjusted EBITDA of \$83.5 million.

In assessing historical normalised EBITDA, I have placed less emphasis on:

- FY17 because it included the impacts of a significant restructure; and
- FY20 because revenue and EBITDA were significantly impacted by COVID-19.

I consider FY18 and FY19 to be instructive for my assessment of a normalised level of historical EBITDA for the Group. I have regard to the historical financial performance over a two-year period rather than a single year because the Group's financial performance fluctuates with the cyclical movement in commodity prices and mining industry in general.

As set out at Section 6.3.3:

- The average revenue in FY18 and FY19 was \$757.6 million;
- The average FTI Adjusted EBITDA for FY18 and FY19 was \$94.0 million;
- The average FTI Adjusted EBITDA margin for FY18 and FY19 was 12.4%; and
- The FTI Adjusted EBITDA and FTI Adjusted EBITDA margin decreased in FY19, due to lower Drilling Services revenue.

I have selected the FY21 forecast FTI Adjusted EBITDA as my estimated maintainable earnings for my valuation of the business. I consider the FY21 forecast FTI Adjusted EBITDA to be reasonable because:

- From first principles, the value of an asset or business is a result of the future cash flows it can generate;
- FY20 FTI Adjusted EBITDA was impacted by COVID-19 and therefore is not a reliable indicator of future EBITDA;
- FY18 and FY19 FTI Adjusted EBITDA are somewhat dated. Additionally, the comparable listed companies did not adopt AASB 16 (or alternative applicable international standards, e.g. IFRS 16) in FY18 and some companies only adopted AASB 16 in FY20; and
- The strong actual year to date performance of the Group in Q1FY21 supports the forecast improvement in both revenue and EBITDA.

While I believe FY21 FTI Adjusted EBITDA to be the best indicator of maintainable earnings, I have also cross-checked my valuation by reference to the implied multiples using historical EBITDAs.

6.4 Capitalisation multiple

6.4.1 Overview

Capitalisation multiples can be applied to either estimates of future earnings or historical earnings, adjusted for any abnormal or non-recurring items.

The appropriate capitalisation multiple to be applied to earnings is usually derived from:

- The stock market trading in shares of comparable listed companies; or
- Transactions involving the acquisition of comparable companies.

I have reviewed the share market evidence of selected comparable listed companies from my research. I have not been able to identify sufficiently comparable transactions in the last three years.

I selected listed companies that are primarily involved in drilling services in the mineral resources industry. In selecting a subset from these potentially comparable listed companies, I have focused on companies which have comparable operational characteristics to the Group.

I extracted share price data, EVs, historical and projected revenue, earnings and consensus broker projections (if available) at the Valuation Date of the comparable listed companies from S&P CapitalIQ (a commonly used share market data subscription service) to calculate the figures.

I have calculated historical and forecast EBITDA multiples as at the Valuation Date for my identified comparable listed companies as follows:

- EV, being the market capitalisation plus net debt; divided by
- EBITDA. For my analysis, I have relied on forecast FY21 FTI Adjusted EBITDA as my primary valuation. I have cross-checked the result by reference to the implied historical multiples.

The table below summarises my analysis of my calculated implied multiples of the comparable listed companies.

Table 20: Summary of comparable listed company multiples

Company	Ticker	Financial year end	Rep. CCY	\$ million		EBITDA Multiple (IFRS 16)						
				FY20 Revenue	Market value of equity	EV	FY19A	FY20A	LTM	FY21F	FY22F	FY23F
Orbit Garant Drilling Inc.	TSX:OGD	30-Jun-20	CAD	101.3	48.9	81.7	n/c	9.1x	5.7x	4.9x	4.6x	n/a
Foraco International SA	TSX:FAR	31-Dec-20	USD	207.1	110.2	261.4	8.9x	7.7x	7.6x	n/a	n/a	n/a
Geodrill Limited	TSX:GEO	31-Dec-20	USD	82.4	98.4	97.0	4.9x	5.1x	3.7x	3.4x	3.4x	n/a
Swick Mining Services Ltd.	ASX:SWK	30-Jun-20	AUD	103.3	47.8	66.7	n/c	3.7x	3.7x	n/a	n/a	n/a
Perenti Global Limited	ASX:PRN	30-Jun-20	AUD	1,412.6	471.9	1,018.4	n/c	2.5x	2.8x	2.6x	2.5x	2.3x
Capital Limited	LSE:CAPD	31-Dec-20	USD	135.0	214.8	184.7	6.6x	5.2x	5.2x	3.6x	2.8x	2.9x
AJ Lucas Group Limited	ASX:AJL	30-Jun-20	AUD	101.3	33.5	128.1	n/c	5.4x	4.5x	n/a	n/a	n/a
Mitchell Services Limited	ASX:MSV	30-Jun-20	AUD	121.2	76.7	104.1	n/c	3.3x	3.6x	3.3x	2.6x	2.6x
Major Drilling Group Int. Inc.	TSX:MDI	30-Apr-20	CAD	294.6	857.2	847.0	n/c	16.7x	16.8x	14.3x	9.5x	7.1x
Memo												
Mean							6.8x	6.5x	6.0x	5.3x	4.2x	3.7x
Median							6.6x	5.2x	4.5x	3.5x	3.1x	2.8x
Median (excl. outliers)							6.6x	5.2x	4.1x	3.4x	2.8x	2.6x

Source: S&P CapitalIQ, FTI Consulting analysis. Note: n/c – not calculated because not reported under IFRS 16, n/a – not available

In selecting the EBITDA multiple ranges for my valuation, I have considered:

- That the Group is considerably larger in terms of revenue than most of the comparable listed companies. Larger companies tend to command higher multiples;
- Whilst the Group generates a significant portion of its income in North America, it is more diversified than most of the comparable listed companies who generate income in fewer geographies, e.g. only in Australia;
- The Group also generates approximately 25% of revenue in the Asia Pacific region;

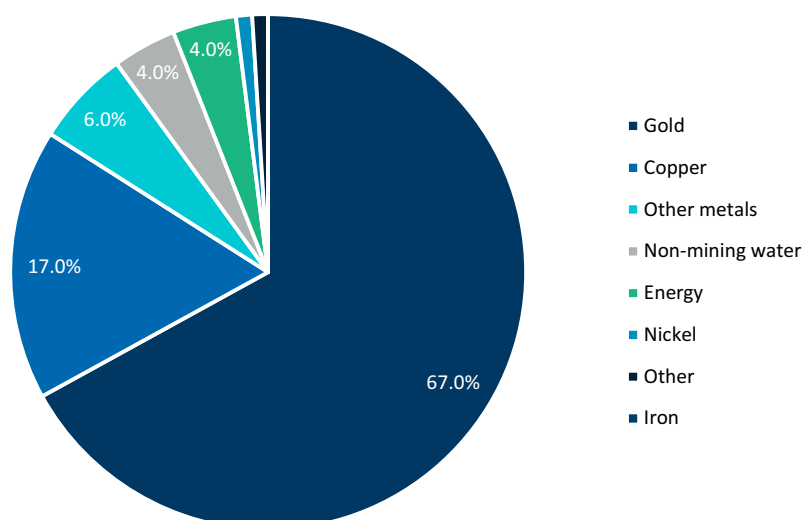
Table 21: Group revenue by region

%	FY17A	FY18A	FY19A	FY20A
North America	45.8%	45.9%	45.8%	44.3%
Asia Pacific	21.2%	21.9%	23.1%	25.9%
Latin America	14.7%	14.3%	13.1%	10.2%
EMEA	18.3%	17.9%	18.0%	19.5%
Total	100.0%	100.0%	100.0%	100.0%

Source: the Group's annual reports

- The Group generates approximately 84% of its revenue from drilling services provided to the gold and copper drilling industry. Whilst I have identified companies that drill for coal, I have placed less reliance on these companies and have relied more heavily on companies who drill for gold and copper;

Figure 5: FY20A revenue by commodity



Source: the Group's annual reports

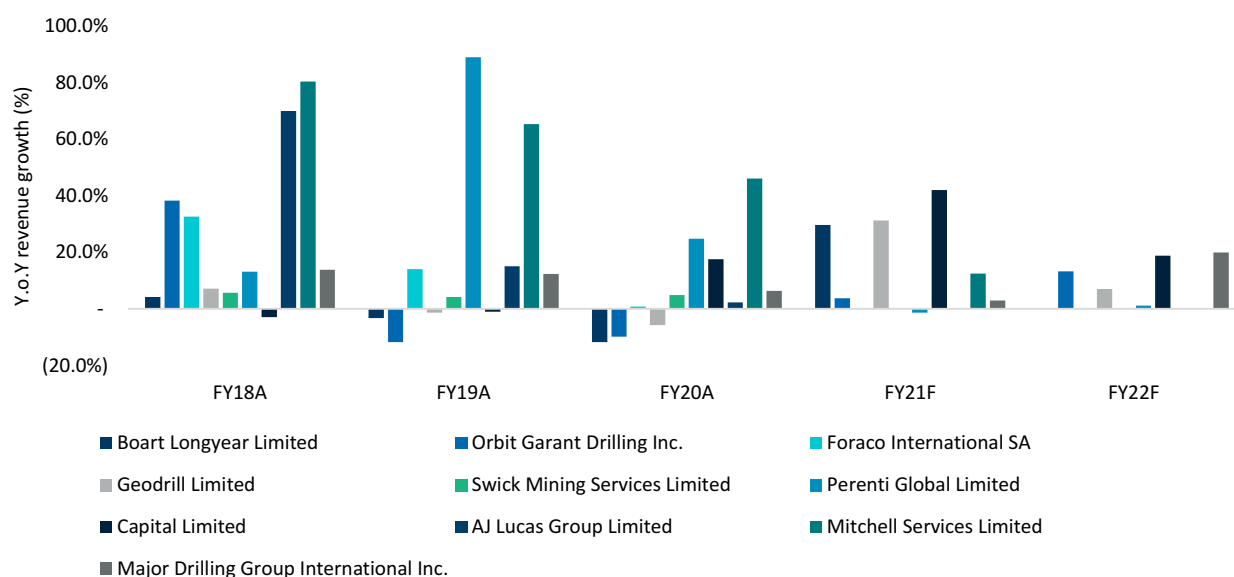
- The Group has a financial year end date of 31 December. Therefore, its year on year revenue is not comparable to companies with 30 June or 30 April financial year end dates, in particular in FY20 which was impacted by COVID-19;
- The Group's growth in revenue and EBITDA, in particular the significant decrease in FY20 and projected increase in FY21. I have compared the historical and forecast revenue and EBITDA growth of the comparable listed companies, and the Group; and

Table 22: Comparable listed company growth in revenue and EBITDA

Company	Y.o.Y revenue growth (%)					Y.o.Y EBITDA growth (%)			
	FY18A	FY19A	FY20A	FY21F	FY22F	FY20A	FY21F	FY22F	FY23F
Boart Longyear Limited	4.2%	(3.3%)	(11.8%)	29.7%	CS	(40.8%)	102.4%	CS	CS
Orbit Garant Drilling Inc. ("Orbit")	38.3%	(11.7%)	(9.8%)	3.8%	13.3%	(14.0%)	87.8%	5.4%	n/a
Foraco International SA ("Foraco")	32.6%	14.1%	0.8%	n/a	n/a	15.8%	n/a	n/a	n/a
Geodrill Limited ("Geodrill")	7.2%	(1.3%)	(5.7%)	31.2%	7.0%	(3.9%)	49.4%	1.0%	n/a
Swick Mining Services Limited ("Swick")	5.7%	4.3%	4.9%	n/a	n/a	(19.8%)	n/a	n/a	n/a
Perenti Global Limited ("Perenti")	13.2%	89.0%	24.8%	(1.4%)	1.1%	59.6%	(3.8%)	2.8%	9.1%
Capital Limited ("Capital")	(2.9%)	(1.0%)	17.5%	42.1%	18.8%	26.7%	46.8%	25.0%	(0.4%)
AJ Lucas Group Limited ("AJ Lucas")	70.0%	15.0%	2.3%	n/a	n/a	49.4%	n/a	n/a	n/a
Mitchell Services Limited ("Mitchell Services")	80.4%	65.3%	46.0%	12.5%	0.2%	27.3%	2.9%	26.6%	(2.7%)
Major Drilling Group International Inc. ("Major")	13.9%	12.4%	6.3%	2.9%	20.0%	23.4%	17.3%	50.0%	33.0%

Source: S&P CapitalIQ, FTI Consulting analysis. Note: CS refers to information removed due to being commercially sensitive and confidential in nature

Figure 6: Comparable listed company growth in revenue



Source: S&P CapitalIQ, FTI Consulting analysis. Note: FY22 revenue growth for Boart Longyear Limited has been removed due to being commercially sensitive and confidential in nature

- All comparable listed companies and the Group have adopted AASB 16 (or international equivalents) since FY19.

In Appendix I, I provide comments on the specific comparable listed companies selected.

6.4.2 Enterprise value

I have capitalised the FY21 FTI Adjusted EBITDA by an EBITDA multiple in the range of 3.4 times and 3.6 times (on a minority interest basis).

In selecting this multiple range, I have considered my analysis summarised above, and in particular:

- The growth outlook for the Group compared to the growth outlook for the selected comparable listed companies;
- The average forecast FY21 EBITDA multiple for Orbit, Geodrill, Perenti, Capital and Mitchell Services of approximately 3.5 times. I have not included Major because I consider it to be an outlier. Additionally, I have not included the other comparable listed companies because there are no consensus forecasts available;
- The average forecast FY21 EBITDA multiple for Orbit, Geodrill, Perenti and Capital of approximately 3.6 times. I have calculated an average excluding Mitchell Services because it operates in the coal industry, which is not comparable to the Group; and
- The forecast FY21 EBITDA multiple for Geodrill of 3.4 times. Geodrill has a particularly similar growth forecast in revenue to the Group and has a 31 December financial year end.

The table below summarises my estimate of EV assuming the Scheme is approved:

Table 16: Valuation using the capitalisation of earnings method (Scheme is approved)

\$ million	Low	High	Middle
Future maintainable earnings (FTI Adjusted EBITDA)	115.9	115.9	115.9
EBITDA multiple (no control) (times)	3.4x	3.6x	3.5x
EV	394.2	417.4	405.8

Source: S&P CapitalIQ, FTI Consulting analysis

Table 23: Cross-check to implied historical multiples

\$ million	Low	High	Middle
Normalised historical EBITDA ¹⁷	94.0	94.0	94.0
Implied EBITDA multiple (times)	4.2x	4.4x	4.3x
FTI Adjusted FY20 EBITDA	57.3	57.3	57.3
Implied EBITDA multiple (times)	6.9x	7.3x	7.1x
FTI Adjusted FY19 EBITDA	83.5	83.5	83.5
Implied EBITDA multiple (times)	4.7x	5.0x	4.9x

Source: S&P CapitalIQ, FTI Consulting analysis

The implied EBITDA multiples above are on a minority interest basis.

The lower FY20 FTI Adjusted EBITDA, due to the impact of COVID-19, results in a higher capitalisation multiple range.

I consider the implied EBITDA multiples of historical normalised EBITDA to be reasonable because the FY19 EBITDA multiple for Geodrill is 4.9 times. I have referred to Geodrill's FY19 multiple because it has a similar growth profile to the Group. I have not relied on implied multiples using FY18 information because the Group and the comparable listed companies did not adopt AASB 16 (or international equivalents). Additionally, the implied FY18 multiples are dated.

I considered the reasonableness of the implied FY20 EBITDA multiple by reference to the EBITDA multiples of comparable listed companies that experienced a similar impact in FY20 due to COVID-19. In my view, the implied multiples are reasonable by reference to:

- Orbit's FY20 (30 June) multiple of 9.1 times and last-twelve-months ("LTM") multiple of 5.7 times (average of 7.4 times);
- Foraco's FY20 EBITDA multiple of 7.7 times; and
- Geodrill's FY20 EBITDA multiple of 5.1 times.

I have not included Swick and Perenti in my analysis because they reported as at 30 June 2020 and had positive growth in FY20, whereas the Group had a 11.8% decrease in revenue. I have not included Capital because its revenue grew in FY20, whereas the Group had a 11.8% decrease.

6.4.3 Other assumptions

Under this valuation I have not included:

- **A control premium:** A control premium is an amount that a buyer is willing to pay in excess of the fair value of shares in order to gain a controlling ownership interest. A buyer who pays a control premium gains access to the firm's cash flows, day-to-day operations, and control of the firm's strategy. I have not included a control premium in this scenario because the value of the business will be distributed amongst holders, none of whom have a controlling interest.
- **Historical tax losses carried forward:** Tax losses carried forward from prior years can be used to offset future profits, and therefore, lower future income taxes. This has the effect of increasing the value of a business. I have not included tax losses carried forward because I understand that Management may elect to utilise historical tax losses to offset any potential cancellation of debt income.

¹⁷ Refer to the Avg. FTI Adj. EBITDA FY18A and FY19A in Table 19 for my calculation of an appropriate normalised level of historical EBITDA for the Group

6.5 Discounted cash flow cross-check

6.5.1 Overview

I have cross-checked the range of EVs resulting from my primary valuation approach, the capitalisation of earnings method, to that derived using a discounted cash flow method.

The discounted cash flow method assesses the value of a business by projecting its future cash flows and then discounting them to their present value at the valuation date by applying an appropriate discount rate. The discount rate applied is generally based on the opportunity cost of capital to the investor, reflecting the return that an investor expects to obtain from investments with equivalent risks. The discount rate reflects the time value of money and the risk profile of the cash flow stream being valued.

Based on my analysis (detailed further below), under the discounted cash flow method, which I have used as a cross-check to the capitalisation of earnings method detailed above, I have estimated the fair value of the EV of the Group as being between \$376.5 million and \$444.9 million. This supports my valuation under the capitalisation of earnings method.

6.5.2 Cash flows

Management has prepared a three-year forecast for FY21 to FY23 (i.e. the Long Term Forecast). The table below summarises the forecast revenue, earnings, capital expenditure and change in working capital. As in previous sections, I have removed information pertaining to FY22 and FY23 from Table 24 below as it is commercially sensitive and confidential in nature.

Table 24: Summary of Long Term Forecast

\$ million	FY20A	FY21F	FY22F	FY23F
Revenue	657.3	852.8		
Revenue growth (%)	n/a	29.7%		
FTI Adjusted EBITDA (excludes restructuring costs) ¹⁸	57.3	115.9	Commercially Sensitive	
FTI Adjusted EBITDA growth (%)	n/a	102.5%		
Capital expenditure	(32.1)	(46.9)		
Capital expenditure % of revenue	(4.9%)	(5.5%)	Commercially Sensitive	
Working capital	209.2	237.2		
Working capital % of revenue	31.8%	27.8%		

Source: Long Term Forecast, FTI Consulting analysis

In performing the discounted cash flow analysis, I have:

- Relied on the Long Term Forecast prepared by Management;
- Excluded the period from January 2021 to April 2021 because these months are before the Valuation Date;
- Adopted mid-point discounting, that is, cash flows are assumed to be received in the middle of each cash flow period (i.e. 30 June 2022 for the cash flow period from 1 January 2022 to 31 December 2022);
- Discounted ungeared after-tax cash flows using an after-tax weighted average cost of capital ("WACC");
- Assumed a tax rate of 34%, being the global effective tax rate indicated by Management; and

¹⁸ I have excluded restructuring costs forecast to be incurred between May 2021 and December 2021 in my discounted cash flow analysis in order to make this cross-check comparable to my valuation under the capitalisation of earnings method, which excludes these cash outflows

- Assumed the Group is unable to utilise tax losses carried forward because Management has indicated that the Group may elect to utilise historical tax losses to offset any potential cancellation of debt income.

I have calculated a terminal value at the end of FY23, reflecting the future value of the business at the end of the period for which cash flows are projected. The terminal value is estimated using the Gordon Growth Model based on an assumed consistent future growth rate and discount rate. I have made the following assumptions in calculating the terminal value:

- A 2.5% terminal growth rate, being the expected growth rate anticipated by Management after FY23. I consider this long-term growth rate reasonable by reference to the USA long term inflation target of 2.0%¹⁹, as most of the Group's revenues are derived in the USA;
- Working capital at 28% of revenue, based on historical levels and the Long Term Forecast;
- That depreciation equals capital expenditure in the terminal period; and
- A discount rate range of between 14.6% and 16.7% (refer to Appendix H).

6.5.3 Discount rate

The discount rate used to equate the future cash flows to their present value represents an estimate of the risk adjusted rate of return demanded by an investor. A company's weighted average cost of capital, WACC, is the average of forward-looking estimates of its cost of equity and its cost of debt weighted by the assumed levels of equity and debt, respectively, in its capital structure.

In calculating my estimate of an appropriate discount rate, I have considered:

- The uncertainties of the Group achieving the forecast set out in the Long Term Forecast, in particular the growth in FY21; and
- That the discounted cash flow method includes a control premium, whereas the valuations using the capitalisation of earnings method in this Report do not. I discuss this issue further at Appendix H.

I have calculated a WACC range of 14.6% to 16.7%. My calculations are set out at Appendix H.

6.5.4 Value under discounted cash flow method

Table 25 below summarises my discounted cash flow calculations, applying the analysis and assumptions summarised above. With the exception of my calculation of net debt-free cash flows for FY22 and FY23 and my calculation of terminal value, I have removed other commercially sensitive and confidential information from these periods as discussed in Section 1.6.

¹⁹ The Board of Governors of the Federal Reserve System – 'Why does the Federal Reserve aim for inflation of 2 percent over the longer run?' (https://www.federalreserve.gov/faqs/economy_14400.htm)

Table 25: Enterprise Value estimates under discounted cash flow method

\$ million	May-21 to Dec-21	FY22F	FY23F	Terminal value
Revenue	568.8			
Revenue growth (%)	n/a			
FTI Adjusted EBITDA	78.2			
FTI Adjusted EBITDA margin (%)	13.8%	Commercially Sensitive		
EBIT	48.5			
EBIT margin (%)	8.5%			
Less: Taxes	(16.5)			
Debt-free earnings after tax	32.0			
Less: Capital expenditures	(31.9)			
Less: Change in net working capital	3.6	Commercially Sensitive		
Add: Depreciation and amortisation	29.8			
Net debt-free cash flows	33.4	28.9	22.2	60.7
Terminal value				
Low (WACC 16.7%)	n/a	n/a	n/a	426.2
High (WACC 14.6%)	n/a	n/a	n/a	500.0
Present value				
Low (WACC 16.7%)	31.7	24.1	15.9	304.8
High (WACC 14.6%)	31.9	24.6	16.5	371.9
Enterprise value				
Low (WACC 16.7%)	376.5	n/a	n/a	n/a
High (WACC 14.6%)	444.9	n/a	n/a	n/a

Source: Long Term Forecast, FTI Consulting analysis

Based on the analysis and assumptions summarised above, I have estimated an EV range of approximately \$376.5 million (16.7% WACC) and \$444.9 million (14.6% WACC), with a mid-point of \$410.7 million.

In my view:

- The valuation range of \$376.5 million to \$444.9 million using the discounted cash flow method supports my valuation range of \$394.2 million to \$417.4 million using my primary valuation approach, the capitalisation of earnings method; and
- The high EV of \$444.9 million (at a WACC of 14.6%) is higher than the range calculated using the capitalisation of earnings method, in part because it may include the impact of an implicit control premium that is not included in my primary approach using the capitalisation of earnings method, noting that this is one of the factors I have considered in my selection of an appropriate company specific risk premium in Appendix H.

7. Comparison of outcomes if Schemes are effectuated

7.1 Overview and findings

I have been instructed to calculate the return that would be respectively available to the:

- Secured Scheme Creditors, and
- Unsecured Scheme Creditors,

if the Schemes were to be put into effect as proposed.

I have calculated the Implied Value based on the latest financial information provided to me by the Group, dated 30 April 2021.

As a result of my analysis, as detailed below, I have calculated the return respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors, if the Schemes were effectuated as proposed, as being per Table 4.

Table 4: Schemes effectuated Implied Value summary

\$ million	Debt	Return	Return (c / \$)
Secured Scheme Creditors	493.6	214.6	43.5
Unsecured Scheme Creditors	302.5	31.9	10.5

Source: the Group, FTI Consulting analysis

7.2 Calculation of the Implied Value

7.2.1 Calculation of equity value

The value to be realised by the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Schemes were put into effect as proposed consists of the value of their respective equity interests in the post-Schemes Group. Consequently, I have calculated the Implied Value that would be available to the Secured Scheme Creditors and the Unsecured Scheme Creditors as if they realised their respective equity interests in the post-Schemes Group immediately following the effectuation of the Schemes. For the purposes of this calculation, I have based the equity value of the post-Schemes Group on the EV of the Group as a whole following the implementation of the Schemes (as calculated in Section 6.4.2). This EV does not include a control premium as I am calculating an equity value to be distributed amongst holders, none of whom have a controlling interest.

Table 26: Equity value if the Schemes are effectuated

Item	\$ million
EV	405.8
Less: Leases	(40.7)
Add: Cash at bank	29.5
Add: Surplus assets	0.3
Less: External debt	(133.8)
Less: Restructuring costs	(10.8)
Total equity value	250.2

Source: Management accounts, Long Term Forecast, FTI Consulting analysis

For the purposes of calculating the equity value of the Group if the Schemes were put into effect as proposed, I have adjusted for the value of the Group's leases as at 30 April 2021. As a result of AASB 16, the costs associated with these leases are no longer included in the EBITDA that forms the basis for my calculation of EV, and consequently it is necessary to adjust the valuation to reflect these incremental operating expenses.

I have also added \$29.5 million of cash at bank and \$0.3 million of assets held for sale (consisting of three drill rigs) as per the 30 April 2021 management accounts. The value of these assets is not included in the EV calculated above.

I have subsequently subtracted the value of the secured debt not being released under the RSA. This includes amounts outstanding under the PNC ABL, Incremental Financing, and Backstop ABL (\$133.8 million in total) as at 30 April 2021. I have not reflected the implementation of the Exit Financing, as contemplated under the RSA and Restructuring Term Sheet, as this analysis of the Implied Value is conducted as at 30 April 2021, and the specific terms of the Exit Financing, including the total facility size, have not yet been finalised.

I have also reflected \$40.8 million of exceptional restructuring fees (i.e. those fees associated with the current scheme process) due to be incurred under the Long Term Forecast in the period to December 2021, net of cash injection from the initial \$30.0 million drawdown on the Incremental Financing (i.e. total adjustment of \$10.8 million). These exceptional fees will be incurred regardless of whether the Schemes are approved, and are not reflected in the EV of the Group following the implementation of the Schemes as it is calculated on a capitalisation multiple of FTI Adjusted EBITDA, which does not include restructuring costs.

On this basis, the equity value of the Group as a whole if the Schemes were put into effect as proposed has been calculated at \$250.2 million.

7.2.2 Calculation of the Implied Value

I have attributed the equity value of the Group based on the Restructuring Term Sheet included in the RSA. In doing so, I have used the claim amounts by each creditor based on the amounts included in the Restructuring Term Sheet, i.e. \$493.6 million for the Secured Scheme Creditors and \$302.5 million for the Unsecured Scheme Creditors as detailed in Table 27 below. I note that these amounts differ (immaterially) to the amounts in the 30 April 2021 management accounts (after making necessary adjustments as per Section 3.2).

I have assigned percentages to each of these claim amounts to calculate their pro rata share of the total equity entitlement based on the treatments in the Restructuring Term Sheet. Following the application of these percentages, the total equity entitlement pool was calculated to be \$566.8 million.

The claimants will be entitled to 98.5% of the new common shares in the Group after the effectuation of the Schemes, based on their respective proportion of the total equity entitlement, with existing equity holders entitled to the remaining 1.5% of new common shares in the Group. In my calculation of the Implied Value, I have not considered the following factors:

- Any participation (or lack thereof) in either the Share Purchase Plan or Creditor Share Purchase Option by either the Secured Scheme Creditors or the Unsecured Scheme Creditors and any related dilution;
- Any dilution to the new common shares from the exercising of the Group's existing warrants and options or New Warrants;
- Any changes to the number of new common shares as a result of share buybacks or share consolidations; and
- The impact of the implementation of the Exit Financing, as contemplated under the RSA and Restructuring Term Sheet, on the Implied Value that may be available to specific creditors within either the Secured Scheme Creditors or the Unsecured Scheme Creditors.

As a result, the equity value in the post-Schemes Group has been allocated amongst the Secured Scheme Creditors and the Unsecured Scheme Creditors as per Table 27 below.

Table 27: Initial equity distribution if Schemes effectuated

Item	Claim type	Claim (\$'m)	% of face amount	Equity ent. (\$'m)	New equity (%)	Equity value (\$'m)	Return (c / \$)
Secured creditors							
PNC ABL	All	43.5	n/a	n/a	n/a	n/a	n/a
Incremental Financing	All	30.0	n/a	n/a	n/a	n/a	n/a
Backstop ABL	Principal	45.0	n/a	n/a	n/a	n/a	n/a
Backstop ABL	Interest	15.3	n/a	n/a	n/a	n/a	n/a
Total secured creditors		133.8	n/a	n/a	n/a	n/a	n/a
Secured Scheme Creditors							
TLA	Principal	85.0	100.0%	85.0	14.8%	37.0	43.5
TLB	Principal	105.0	100.0%	105.0	18.2%	45.7	43.5
SSNs	Principal	216.4	100.0%	216.4	37.6%	94.1	43.5
SSNs	Interest	86.5	100.0%	86.5	15.0%	37.6	43.5
SSNs (stub)	Principal	0.6	100.0%	0.6	0.1%	0.3	43.5
SSNs (stub)	Interest	0.0	100.0%	0.0	0.0%	0.0	43.5
Total Secured Scheme Creditors		493.6	100.0%	493.6	85.8%	214.6	43.5
Unsecured Scheme Creditors							
TLA	Interest	75.3	25.0%	18.8	3.3%	8.2	10.9
TLB	Interest	88.3	25.0%	22.1	3.8%	9.6	10.9
SSNs	Premium	44.8	25.0%	11.2	1.9%	4.9	10.9
SSNs (stub)	Premium	0.1	25.0%	0.0	0.0%	0.0	10.9
SUNs	Principal	88.9	22.5%	20.0	3.5%	8.7	9.8
SUNs	Interest	5.1	22.5%	1.1	0.2%	0.5	9.8
Total Unsecured Scheme Creditors		302.5	24.2%	73.3	12.7%	31.9	10.5
Existing equity	n/a	n/a	n/a	n/a	1.5%	3.7	n/a
Total		929.9	n/a	566.8	100.0%	250.2	26.5

Source: RSA, FTI Consulting analysis

I have not assigned any value to the New Warrants to be issued to certain Unsecured Scheme Creditors under the Schemes. I note that this would likely further increase the return to certain specific Unsecured Scheme Creditors.

As a result, the return respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Schemes were effectuated as proposed is as per Table 4 below.

Table 4: Schemes effectuated Implied Value summary

\$ million	Debt	Return	Return
			(c / \$)
Secured Scheme Creditors	493.6	214.6	43.5
Unsecured Scheme Creditors	302.5	31.9	10.5

Source: the Group, FTI Consulting analysis

8. Comparison of outcomes if Scheme Companies wound up

8.1 Overview

I have been instructed to calculate the expected dividend that would be respectively available to the:

- Secured Scheme Creditors; and
- Unsecured Scheme Creditors,

if the Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act.

In this situation I have assumed that the Schemes are not implemented. I have calculated the expected dividend based on the latest financial information provided to me by the Group, dated 30 April 2021.

In calculating the expected dividend, I have considered two scenarios, being:

1. Controlled Insolvency Scenario: the business of the Group will be sold as a going concern in its distressed state, noting that the seller would likely be considered to be an ‘anxious’ seller within the context of the definition of fair value (“Controlled Insolvency Scenario”); and
2. Uncontrolled Insolvency Scenario: the business of the Group will cease, and its assets, located in various entities in a variety of international jurisdictions, will be liquidated to pay outstanding liabilities (“Uncontrolled Insolvency Scenario”).

I have applied an ‘Orderly Liquidation’ premise of value under the Controlled Insolvency Scenario, reflecting the ability to sell the whole of the business of the Group within a reasonable (but relatively short) amount of time. Conversely, under the Uncontrolled Insolvency Scenario I have applied a ‘Forced Sale’ premise of value, reflecting the piecemeal, entity-by-entity and asset-by-asset realisation of assets approach.

Further detail on the assumptions, methodologies, and calculations underpinning each scenario is provided below.

8.2 Findings

The expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Scheme Companies were to be wound up is detailed below.

Table 28: Summary of expected dividend if Scheme Companies wound up

\$ million	Controlled Insolvency Scenario			Uncontrolled Insolvency Scenario		
	Debt	Return	Return (c / \$)	Debt	Return	Return (c / \$)
Secured Scheme Creditors	492.2	145.9	29.6	492.2	60.3	12.3
Unsecured Scheme Creditors	301.7	-	-	301.7	0.7	0.2

Source: the Group, FTI Consulting analysis

The expected dividend to the Secured Scheme Creditors is higher under the Controlled Insolvency Scenario as greater value is likely to be extracted from a going concern sale of the business of the Group as a whole, compared to an entity-by-entity liquidation, in particular:

- Certain liabilities (both trading and employee related) would not crystallise in a going concern sale;
- Significant realisation costs would be avoided, particularly given the number and geographic spread of the assets involved; and
- Purchasers will generally attribute more value to assets in situ with pre-existing cash flows attached to them.

The expected dividend to the Unsecured Scheme Creditors is higher under the Uncontrolled Insolvency Scenario, as the realisable value from BLY IP’s assets is distributed equally amongst the Secured Scheme Creditors, the Unsecured

Scheme Creditors, and other creditors, as all have an unsecured claim against BLY IP²⁰. Conversely, under the Controlled Insolvency Scenario, proceeds from the sale of BLY IP (as a subsidiary of the Group) ultimately flow to BLY US, where the Unsecured Scheme Creditors rank below the secured creditors, and thus no value is realisable for the benefit of the Unsecured Scheme Creditors, as detailed in Section 8.4.3 below.

I consider that the Controlled Insolvency Scenario reflects the ‘best case’ outcome in the event the Scheme Companies are to be wound up, and thus represents the high watermark for a winding up scenario.

8.3 Controlled Insolvency Scenario expected dividend methodology

8.3.1 Background and general assumptions

In the Controlled Insolvency Scenario, I have assumed that if the Schemes were not implemented, in order for the Scheme Companies to be wound up, a liquidator would be appointed over the Scheme Companies.

Based on the Group’s organisational structure chart as at 31 December 2020 (included at Appendix N), of the Scheme Companies:

- BLY, BLY Issuer, Votaint, and BLI are Australian holding or financing entities;
- BCM and BLY US are both American financing entities; and
- BLA is an Australian operating entity, operating across both the Drilling Services and Products segments.

I note that both BCM and BLY US are both foreign companies. It is my understanding that these companies have been registered with ASIC, as is required under the RSA, which facilitates the appointment of Australian liquidator, as is contemplated under this scenario.

The Scheme Companies, excluding BLA, do not have any realisable assets as at 30 April 2021, with the exception of:

- Cash in the amount of \$0.1 million, and
- Shareholdings in other entities in the Group.

Based on my experience of similar complex insolvency proceedings, where a Controlled Insolvency Scenario is pursued, in order to maximise the return to creditors the liquidators appointed to the Scheme Companies would likely adopt a strategy of realising the assets of these entities via two separate, but concurrent, methodologies:

1. Share Sale Agreements (“SSAs”): the sale of shareholdings in the operating entities held by the Scheme Companies (“the Share Sale Companies”), and
2. Asset Sale Agreement (“ASA”): a sale of the business of BLA (i.e. its assets), given it is an operating entity and subject to its own winding up.

The Controlled Insolvency Scenario assumes that the operating entities within the Group would continue to trade on a solvent basis. As a result of the standstill agreement and injection of funding (both discussed below) prior to the Scheme effectuation (principally through the initial \$30.0 million drawdown on the Incremental Financing), the Group’s forecasts indicate it could continue to trade for the period required to complete a sales process, and thus estimated realisations in this scenario are based on the value of the Group as a going concern.

However, I note that the Controlled Insolvency scenario would only be possible in the event:

- A standstill agreement was entered into with secured creditors, whereby they did not enforce their security across the Obligor Group; and

²⁰ I have been instructed that the SSNs agreed to be subordinated to TLA and TLB such that any recovery from BLY IP that flows to the SSNs would be subsequently redistributed to TLA and TLB

- To the extent required (and notwithstanding the forecasts referred to above), funding was made available for operations, for at least the period of time necessary to perform a truncated sales process. It is considered funding may be required due to the potential detrimental impact the winding up could have on trading.

As part of the standstill agreement, I consider that the Secured Scheme Creditors would be required to agree on an apportionment methodology for the ultimate proceeds received from the sale of the shareholdings. This would be necessary as absent such an agreement, the sale of shares would represent the sale of non-working capital assets, and hence the vast majority of recoveries would flow to those Secured Scheme Creditors with priority over this asset class. Clearly this would disadvantage those Secured Scheme Creditors with priority over working capital assets, and hence those creditors would be unlikely to consent to the sale of the shares without receiving some benefit.

In the event that any of the above was not able to be achieved (including agreement of the apportionment of proceeds outlined in the paragraph above), it is very likely that the Group would enter the Uncontrolled Insolvency Scenario, as contemplated further below. In this sense, I consider the Controlled Insolvency Scenario to represent a 'best case' return to creditors in a winding up scenario.

In order to calculate the most conservative (i.e. highest) dividend that could be available to the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Scheme Companies were to be wound up, I have assumed a single purchaser is successful in acquiring the entire Group, via completion of concurrent SSAs and the ASA. It is my opinion that this would likely result in a higher return to creditors, as acquiring and controlling the entirety of the Group as a going concern would be a more attractive proposition to a potential purchaser and the costs in completing the transaction would be significantly less than the alternative.

As a result, the contemplated transactions (being the SSAs and ASA) would complete at approximately the same time, and proceeds could be distributed to the various creditors of the Scheme Companies (after relevant apportionment) concurrently. I have assumed a marketing period of under three months would be required in order to complete both of the contemplated transactions, reflecting the fact that the Scheme Companies and BLA would be in liquidation.

I note that, as detailed in Section 3.2, both the Group's intercompany loans as well as its intercompany receivables and payables are subordinated to the Finance Facilities (including amounts outstanding under both secured and unsecured claims), such that repayments of these intercompany positions can only be made after all of the obligations of the external debt facilities have been paid in full. As the Group's external debt funders are not contemplated to be repaid in full under either the Controlled Insolvency Scenario or Uncontrolled Insolvency Scenario, these intercompany receivables and liabilities have not been taken into account for the purposes of my analysis in this Report.

8.3.2 Effecting the SSAs and ASA

BLY, Votraint, and BLI effectively own 100% of the shares in the Share Sale Companies, with the exception of:

- BLA's 0.10% equity interest in Boart Longyear de Mexico S.A. de C.V. and 0.04% equity interest in Patagonia Drill Mining Services S.A., and
- Various equity interests held by external stakeholders in the Share Sale Companies, with examples including a 47.86% interest in Globaltech Corporation Pty Ltd held by its management, and a 26.23% interest in Longyear South Africa (Pty) Limited held by The Longyear BEE Trust.

If the Scheme Companies were to be wound up under a Controlled Insolvency Scenario, I have assumed the following approach would be adopted by a liquidator in order to maximise the return to creditors of these entities:

- A liquidator would seek to implement a standstill agreement with the secured creditors in respect of any of the Obligor Group entities that are not Scheme Companies, including agreement relating to the apportionment of the sale proceeds, such that these entities remain solvent (to the extent possible) and would not be subject to any immediate insolvency proceedings within their respective jurisdictions.

- A liquidator would subsequently market for sale the shareholdings held by the Scheme Companies in the Share Sale Companies as a consolidated enterprise via the SSAs, with the exception of BLA which is dealt with under the separate, but concurrent, ASA (see below).
- Due to BLA being subject to its own winding up, the shares of BLA would not be available for sale, but rather, the assets comprising the business of BLA would be sold under a separate ASA to the same purchaser (i.e. effectively as part of the larger overall transaction) in order to keep the entirety of the business together – this would require the transfer/assignment/novation of critical business assets and contracts to the purchaser. It is noted that, in relation to contracts to be transferred, it is likely that counterparty consent would be required.
- Following completion of the SSAs, the proceeds from the contemplated transactions would flow to the shareholders of the Share Sale Companies, being the Scheme Companies, while the proceeds from the ASA would be retained in BLA (also a Scheme Company).
- The Scheme Companies would then distribute the proceeds to the secured creditors as per the initially agreed upon apportionment methodology. For the purposes of this Report, I have assumed this methodology follows the priorities pursuant to the existing security agreements as set out in Table 32 below.

8.4 Controlled Insolvency Scenario calculation of expected dividend

8.4.1 Transaction Value (“TV”)

As outlined above, the primary value to be realised by the Scheme Companies, consists of the equity interests in the Share Sale Companies, as well as the business of BLA (via its assets). Consequently, the dividend that would be available to the Secured Scheme Creditors and the Unsecured Scheme Creditors has been based on the EV of the Group as a whole (as calculated in Section 6.4.2), subject to the various adjustments as detailed below.

The EV of the Group as a whole (calculated in Section 6.4.2), was based on the Long Term Forecast, which, amongst other items, assumed that the Schemes were effected as proposed. The Long Term Forecast remains an appropriate basis for the EV of the Group as a whole if the Schemes were not implemented, and the Scheme Companies were wound up, as:

- According to Management:
 - The assumptions related to the day to day operations of the Group will not change as a result of the Schemes not being implemented; and
 - There will not be any material or noticeable disruption to the underlying operations of the Group as a result of the Schemes not being implemented; and
- The impact of the effectuation of the Schemes on the Group’s forecast profit and loss statement in the Long Term Forecast is confined to income and expense items that are not included in my assessment of the Group’s expected earnings under the capitalisation of earnings method.

Table 29: TV under the Controlled Insolvency Scenario

Item	\$ million
EV	405.8
Less: Leases	(40.7)
Add: Surplus assets	0.3
Less: ‘Distressed Sale’ discount	(91.3)
Less: ASA friction costs	(2.0)
Total TV	272.0

Source: Management accounts, FTI Consulting analysis

I have adjusted for the value of the Group’s leases as at 30 April 2021. As a result of AASB 16, the costs associated with these leases are no longer included in the EBITDA that forms the basis for my calculation of EV, as a result it is necessary to adjust the valuation to reflect these incremental operating expenses.

The 30 April 2021 Management Accounts contained \$0.3 million of 'Assets Held for Sale', consisting of three drill rigs. The value of these assets is not included in the EV calculated above, as these assets are intended to be disposed of, and any net revenue or costs related to these assets have therefore been excluded from the Group's forecasts.

I have applied a 25% 'Distressed Sale' discount to the Group's going concern EV, after adjusting for leases and surplus assets, as despite the Group continuing to trade on a 'Business as Usual' basis during the period required for the SSAs and ASA to complete, it is necessary to reduce the going concern valuation to reflect the discounted price a purchaser will typically offer in an 'Distressed Sale' scenario. This reflects the following factors:

- That the sale of the Group is occurring whilst entities, including the Group's ultimate parent company BLY, are in liquidation – this is likely to have a detrimental impact on the Group, in the form of cancellation or amendment of contracts due to the insolvency, or possible change of control provisions that may provide leverage to contract counterparties;
- The higher level of risk assumed by a purchaser in a scenario where the sale is undertaken in a compressed time frame, on a 'no representations and warranties' basis (as is typical in sales conducted by insolvency practitioners);
- The complexities related to reorganising the Share Sale Companies and the assets of BLA in a new corporate structure; and
- That, following the completion of the SSAs and ASA, as BLY is in liquidation, the business of the Group will no longer be publicly listed; offset by
- A potential control premium, as I have assumed that a single purchaser is successful in acquiring the entirety of the Group, via completion of concurrent SSAs and the ASA.

It is also necessary to adjust the Group's going concern valuation in order to reflect that the sale of BLA's assets is occurring via an ASA to the same purchaser. In this scenario, the relevant contracts of BLA will have to be novated, with the purchaser taking up the benefits and burdens of these contractual arrangements. I have included a friction costs adjustment of \$2.0 million to reflect:

- The increased risk to achieving the Group's forecasts should some of the contracts be unable to be assigned to the purchaser; and
- Additional costs, including stamp duty payable and professional fees related to the transfer of assets and novation of contracts.

In calculating this amount, I have considered the key contracts of BLA that would have to be transferred, including seven property leases, 11 key customer contracts in Drilling Services with year-to-date revenue of approximately \$31 million, three key customer contracts in Products, and supplier contracts with estimated annualised spend of \$51 million. I also had consideration to the approximately 22% discount to transaction proceeds applied by Bain Capital when comparing SSA and ASA scenarios in the recent voluntary administration of Virgin Australia Holdings²¹.

The SSAs and ASA are both contemplated to be completed on a cash-free, debt-free basis. However, other liabilities within or external to the Share Sale Companies (and already reflected within EV) will be assumed by the purchaser.

On this basis, the Transaction Value (i.e. proceeds from the SSAs and ASA) has been calculated at \$272.0 million.

8.4.2 Allocation of TV

I have adopted the following approach in order to apportion the proceeds between the Scheme Companies and the various asset classes for the purposes of calculating the expected dividend available to the Secured Scheme Creditors and the Unsecured Scheme Creditors.

²¹ Report to Creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) for Virgin Australia Holdings Limited ACN 100 686 226 and subsidiaries (all Administrators Appointed), page 113

The book values included in the Group's 30 April 2021 balance sheet were allocated between BLA, the Scheme Companies (excluding BLA), and the Share Sale Companies, with reference to the individual balance sheets of each entity. I have excluded intercompany balances (for reasons outlined above) and allocated the remaining consolidation adjustments between entities on a line item by line item basis, where possible to the relevant entities, and otherwise based the allocation on each entity's absolute value-weighted share of the Group balance for that line item²².

The only assets for which I did not adopt the book value, as per the Group's 30 April 2021 balance sheet, was for patents and trademarks, which had a book value of \$6.1 million net of accumulated amortisation. The Group obtains regular third-party independent valuations of these assets, the latest of which was conducted as at February 2021 and calculated a total estimated fair value of patents at \$44.2 million and trademarks at \$5.5 million. I have adopted these values and then allocated them to those entities on a proportional weighted basis based on the number of patents or trademarks each entity holds. For all other asset classes (including other components of intangibles) I have adopted net book value.

I subsequently allocated assets between working capital assets and non-working capital assets, which was required in order to affect the priorities between the various secured creditors and the existing security arrangements. In assigning the Group's assets and liabilities as being related to either working capital or non-working capital (i.e. everything not classified as working capital), I had regard to two key considerations:

- The definition of working capital assets under the Group's facility documents; and
- The assets and liabilities that a purchaser would view as being related to funding the day-to-day operations of the business of the Group.

As part of this allocation, I have also made certain assumptions regarding a purchaser's valuation of these asset classes as detailed in Appendix L. In some instances, this included separate assumptions for the Share Sale Companies and BLA, generally reflecting the lower value of assets for an entity in liquidation.

In making assumptions regarding a purchaser's allocation of TV (i.e. sale proceeds) in the Share Sale Companies and BLA, I have applied assumptions across the Share Sale Companies regardless of jurisdiction or status. In doing so, I note there will likely be 'overs' and 'unders' and have used my transactional experience in Australia to reflect a blended rate. The Share Sale Companies contain entities that operate in jurisdictions where I do not profess to be an expert in local law, or have experience in conducting sales processes. I have also not considered the impact of tax groups across the Group in the Controlled Insolvency Scenario.

I also allocated certain liabilities assumed by the purchaser for the Share Sale Companies and BLA as deductions against the TV allocated to these various asset classes as detailed in Appendix L.

In the case of BLA, I only have had regard to employee-related liabilities and lease liabilities when making adjustments to the purchase price. An adjustment for employee-related liabilities against working capital assets (i.e. a deduction from the TV attributed to working capital), was necessary to reflect that in the sale of BLA's assets, the employees of BLA would likely be assigned to a new entity owned by the purchaser, who would be assuming any employee-related liabilities. A purchaser will typically adjust for these accrued entitlements, which is more likely to be a deduction from working capital assets, representing the funding of the day-to-day operations of the business (including employees), than non-working capital assets. I note that this adjustment effectively increases the balance of TV allocated to PP&E and Intangibles, which benefits certain Secured Scheme Creditors.

An adjustment for lease liabilities to PP&E and Intangibles (i.e. a deduction from the TV attributed to PP&E and intangibles), was necessary to reflect that in the sale of the business of the Group, the leases (and therefore the associated liability) would be assigned to a new entity owned by the purchaser.

The TV was subsequently allocated between BLA and the Share Sale Companies (collectively) assuming:

²² Allocated on an absolute value basis to prevent issues in accounts with significant contra balances

- Assets Held for Sale were ascribed full adjusted value, as under AASB 5, Management must already be committed to a plan to sell the asset, including locating a buyer, and these assets are already measured at the lower of their carrying amount and fair value less costs to sell (i.e. these non-essential assets are already impaired to their 'fair value', and it is reasonable to assume that a purchaser would be able to recover this amount);
- Net working capital (excluding cash) was ascribed full adjusted value;
- To the extent there was remaining TV, it was assumed to represent, on a pro rata basis, the adjusted value of PP&E and intangible assets; and
- To the extent there was any remaining TV, it was assumed to represent consideration for goodwill.

Table 30: Allocation of TV by asset class

\$ million	Adj. net book value			TV		
	BLA	SSA Co's	Total	BLA	SSA Co's	Total
Assets held for sale	0.3	-	0.3	0.3	-	0.3
Working capital	35.0	111.4	146.4	35.0	111.4	146.4
PP&E and intangibles	13.7	62.6	76.3	13.7	62.6	76.3
Goodwill	-	105.0	105.0	-	49.1	49.1
Total	49.0	279.0	328.0	49.0	223.0	272.0
Memo – Split by Collateral Type						
Working capital	35.0	111.4	146.4	35.0	111.4	146.4
Non-working capital	14.0	167.6	181.6	14.0	111.7	125.7

Source: Management accounts, FTI Consulting analysis

The \$223.0 million allocated to the Share Sale Companies collectively has been individually allocated between each of the Share Sale Companies and across each asset class within each Share Sale Company (where that entity had a positive adjusted value in each respective asset class), based on each entity's value-weighted share of the balance allocated to the Share Sale Companies collectively.

These balances were subsequently allocated between each of the Scheme Companies, based on each Scheme Company's equity interest in each Share Sale Company (with the equity interest flowing through various levels of subsidiaries where necessary). In doing so, I note:

- The return to BLA from its interests in Boart Longyear de Mexico S.A. de C.V. and Patagonia Drill Mining Services S.A. was negligible, and thus for all intents and purposes, none of the proceeds from the sale of the Share Sale Companies would flow to BLA; and
- The return to the various external equity holders from their respective interests in the Share Sale companies amounted to \$4.3 million, which I have assumed would be unavailable to be realised for the benefit of creditors in the Scheme Companies.

Table 31: Allocation of TV amongst the Scheme Companies

\$ million	TV								Total	
	BLA	BLY	BLM	Votraint	BLI	BCM	BLY US	External		
TV										
Assets held for sale	0.3	-	-	-	-	-	-	-	0.3	
Working capital	35.0	17.1	0.0	41.7	3.7	-	46.7	2.2	146.3	
PP&E / intangibles	13.7	10.3	-	14.3	0.1	-	36.7	1.1	76.3	
Goodwill	-	-	-	1.0	-	-	47.1	1.0	49.1	
Total TV	49.0	27.4	0.0	57.1	3.7	-	130.5	4.3	272.0	
Cash swept									27.6	
Liquidator fees										
Working capital				<i>Considered on a total basis</i>						(2.6)
Non-working capital									(2.4)	
Professional fees									(12.5)	
Cash in Scheme Co's	1.7	-	0.1	-	-	-	-	n/a	1.8	
Total realisable value	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	279.7	
Memo – Split by collateral type										
Working capital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	158.5	
Non-working capital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	121.2	

Source: Management accounts, FTI Consulting analysis

As a result of each Scheme Company's equity interest in the Share Sale Companies, the TV of \$223.0 million allocated to the Share Sale Companies was predominantly allocated to BLY, BLY US, and Votraint. BLA's TV of \$49.0 million is taken directly from Table 30 above.

As the proposed transaction is assumed to be completed on a cash-free, debt-free basis, based on my experience in completing similar transactions, I have assumed that the liquidator of the Scheme Companies would sweep the \$27.6 million of cash in the Share Sale Companies (as at 30 April 2021) prior to completion. For the purposes of assessing the expected dividend to the Secured Scheme Creditors, the specific entity(s) that would receive this cash are irrelevant as all secured creditors are assumed to prove in full across the Scheme Companies in light of the cross collateralisation of security, and given there is no surplus in any of the entities for unsecured creditors, the specific allocation of cash across the entities would not impact the final dividends to secured creditors.

I have not assumed any cash burn during the period required to effectuate the sale of the business of the Group (via the concurrent SSAs and ASA). This assumption is based on the Group's No Restructure Forecast, which indicates that even if the Schemes are not completed as proposed, the Group would remain cash flow positive until December 2021. I note that there are risks not reflected in these forecasts (e.g. deterioration of working capital terms and inability to win new contracts) which may introduce an element of cash burn during the marketing period, however, this would only reduce the expected dividend to secured creditors (including the Secured Scheme Creditors).

Based on my general experience and the complexity of conducting a sale process of a multi-jurisdictional group within a compressed time period, I have assumed that a liquidator appointed to the Scheme Companies would incur \$5.0 million in professional fees and disbursements. I have allocated these fees between working capital and non-working capital based on the relative values attributed to those asset classes across the Scheme Companies. I have also assumed an additional \$5.0 million in other professional fees (e.g. legal advisors, financial advisors, valuation expertise, etc.) would be required during the liquidation in order to complete the SSAs and ASA.

Similar to Section 8.4.1, I have also reflected \$37.5 million of restructuring fees (i.e. those fees associated with the current scheme process) due to be incurred under the Group's No Transaction Forecast in the period to December 2021, net of the cash injection from the initial \$30.0 million drawdown on the Incremental Financing (i.e. total adjustment of \$7.5 million). These exceptional fees (i.e. not included in the EV or TV) will be incurred regardless of

whether the Schemes are approved, and are not reflected in the going concern valuation. This brings the total professional fees to \$12.5 million.

I have not attributed any value related to potential recoveries for voidable transactions in the Scheme Companies as:

- These recoveries are speculative and highly contingent;
- The Group's trade creditors are generally within terms;
- The Group's secured creditors have granted support by amending terms on an ongoing basis; and
- The Board of Directors of the Group have engaged a safe harbour advisor, which likely reduces the prospects of any insolvent trading claims.

As a result, the total realisable value on behalf of the creditors of the Scheme Companies has been calculated at \$279.7 million, split between working capital assets of \$158.5 million and non-working capital assets of \$121.2 million.

8.4.3 Expected Dividend to secured creditors

The secured creditors would prove for the full amount of their claims in each of the Scheme Company liquidations (including BLA). I have based the amount of the claims of the secured creditors on the Group's relevant book values as at 30 April 2021, subject to the following adjustments:

- Removing balances related to deferred borrowing costs, a contra liability account used for accounting purposes to amortise borrowing costs over the life of the facilities;
- Excluding \$3.3 million related to an accounting adjustment recorded by the Group for accelerated interest under the SSNs, which would not be claimable in a Controlled Insolvency Scenario;
- Illustratively adjusting the accrued interest/PIK for the SSNs to reflect the PIKing of the June 2021 interest at 14.5% for the period to 30 April 2021, rather than a cash interest at 10.0% recorded on the 30 April 2021 balance sheet;
- Illustratively adjusting the applicable premium for the SSNs to reflect the higher accrued interest (as a result of PIKing the June 2021 cash interest payment) and higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the lower rate as at December 2020; and
- Illustratively adjusting the applicable premium for the stub SSNs to reflect the higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the lower rate as at December 2020.

I have not assumed any drawdown of the Group's letters of credit in the Controlled Insolvency Scenario.

I have then applied the priorities in accordance with the current security arrangements as set out in Table 32 below (including changes related to entering into the Incremental Financing) in order to determine the return to each of the secured creditors.

Table 32: Summary of security agreements

Finance Facilities	Working capital		Non-working capital	
	Obligor Group	BLY IP	Obligor Group	BLY IP
PNC ABL	First Ranking	Unsecured	Fifth Ranking	Unsecured
Backstop ABL	Second Ranking	Unsecured	Fourth Ranking	Unsecured
Incremental Financing	Second Ranking	Unsecured	First Ranking	Unsecured
TLA	Third Ranking	Unsecured	Third Ranking	Unsecured
TLB	Fourth Ranking	Unsecured	Second Ranking	Unsecured
SSNs ²³	Fourth Ranking	Unsecured	Second Ranking	Unsecured
SSNs (stub)	Fourth Ranking	Unsecured	First Ranking	Unsecured
SUNs ²⁴	Unsecured	N/A	Unsecured	N/A

Source: the Group

Under the Controlled Insolvency Scenario, proceeds from the sale of BLY IP (as a subsidiary of the Group) ultimately flow to BLY US. As the sale of BLY IP is a sale of shares, this is effectively a realisation of non-circulating assets by BLY US, and hence the security priorities of BLY IP have not been applied.

As detailed in Appendix L, I have assumed that the employees of the Group (including BLA) are transferred to the purchaser under the SSAs and ASA, such that any related employee liabilities are also assumed by the purchaser. As such, I have not given any priority to employee creditors from the realisation of circulating assets in BLA as these liabilities would be extinguished as a result of the ASA.

Based on the allocation of the TV to the various Scheme Companies, I have allocated value between the secured creditors per the priorities in Table 32, as detailed in the tables below.

Where a secured creditor was calculated to be paid more than their total claim across both working capital and non-working capital assets (i.e. in relation to the Incremental Financing), I have apportioned the payment of their claims from the pools of working capital and non-working capital realisations based on the proportion of total realisations related to each pool of assets.

Table 33: Working capital priority waterfall

\$ million	Claim	TV							Total	Return (c / \$)
		BLA	BLY	BLM	Votrant	BLI	BCM	BLY US		
PNC ABL	43.5	10.1	8.1	0.0	11.5	1.0	-	12.8	43.5	100.0
Incremental Financing	30.0	3.9	3.2	0.0	4.5	0.4	-	5.0	17.0	56.7
Backstop ABL	60.3	14.0	11.3	0.0	15.9	1.4	-	17.8	60.3	100.0
TLA	85.0	8.7	7.0	0.0	9.9	0.9	-	11.1	37.7	44.3
TLB	105.0	-	-	-	-	-	-	-	-	-
SSNs (incl. stub)	302.2	-	-	-	-	-	-	-	-	-
Total	626.0	36.8	29.6	0.1	41.7	3.7	-	46.7	158.5	25.3

Source: Management accounts, FTI Consulting analysis

²³ I have been instructed that a subordination agreement has been entered into between TLA, TLB and the SSNs, such that any return to the SSNs from their unsecured claim against BLY IP before the unsecured claims of TLA and TLB are paid out in full, would be remitted to the holds of TLA and TLB

²⁴ I have been instructed that a subordination agreement has been entered into between the SUNs and TLA, TLB and the SSNs, such that any return to the SUNs before the unsecured claims of TLA, TLB and the SSNs are paid out in full, would be remitted to the holders of TLA, TLB and the SSNs

Table 34: Non-working capital priority waterfall

\$ million	Claim	BLA	BLY	BLM	TV				Total	Return (c / \$)
					Votrait	BLI	BCM	BLY US		
Incremental Financing	30.0	1.5	0.9	-	1.6	0.0	-	9.0	13.0	43.3
SSNs (stub)	0.6	0.1	0.0	-	0.1	0.0	-	0.4	0.6	100.0
TLB	105.0	3.2	1.8	-	3.5	0.0	-	19.2	27.8	26.5
SSNs	301.5	9.2	5.2	-	10.1	0.0	-	55.2	79.8	26.5
TLA	85.0	-	-	-	-	-	-	-	-	-
Backstop ABL	60.3	-	-	-	-	-	-	-	-	-
PNC ABL	43.5	-	-	-	-	-	-	-	-	-
Total	626.0	14.0	7.9	-	15.4	0.1	-	72.0	121.5	19.4

Source: Management accounts, FTI Consulting analysis

Based on my calculations, as detailed in Table 33 and Table 34 above, there is insufficient funds both individually, and across the Scheme Companies, to repay the secured creditors in full. As such, there are no funds available in any of the Scheme Companies for unsecured creditors, including the Unsecured Scheme Creditors.

As a result, the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors is as per Table 2 below.

Table 2: Controlled Insolvency Scenario expected dividend summary

\$ million	Debt	Return	Return
			(c / \$)
Secured Scheme Creditors ²⁵	492.2	145.9	29.6
Unsecured Scheme Creditors	301.7	-	-

Source: the Group, FTI Consulting analysis

²⁵ The expected dividend to the Secured Scheme Creditors in Table 2 excludes the expected dividend in respect of the PNC ABL, Backstop ABL, and Incremental Financing, as the holders of amounts owed under these facilities are not Secured Scheme Creditors as defined in Section 1.2 and the Schemes.

8.5 Uncontrolled Insolvency Scenario expected dividend methodology

8.5.1 Background and general assumptions

Should it not be possible for business operations to continue, or a standstill agreement is unable to be reached with secured creditors, or adequate funding is not available for ongoing trading of the Group (to the extent required to effect the sale as contemplated under the Controlled Insolvency Scenario), the Group would likely enter an Uncontrolled Insolvency Scenario.

In an Uncontrolled Insolvency Scenario, the following series of events would likely eventuate:

- Secured creditors would take steps to enforce their security across all of the Obligor Group entities.
- This would result in a number of operating entities, across varying international jurisdictions with competing insolvency regimes, becoming subject to separate insolvencies.
- Subject to the funding requirements, each non-obligor entity would become orphaned or subject to an insolvency in its relevant jurisdiction. Effectively, in this 'each entity for itself' situation, the ability to sell groups of assets would depend on individual directors across jurisdictions, and the possibility of a break-up/piecemeal sale would be inherently more likely.
- To the extent there are shared services across the Group, some of the operating entities (either obligor or non-obligor) may be unable to continue to trade, depending upon their ability to pay for and access those shared services, further increasing the likelihood of a cascading liquidation scenario.

Ultimately, an Uncontrolled Insolvency Scenario would involve complex, multi-jurisdictional insolvency appointments across the vast majority, if not all, of the Group's entities. As a result, the Uncontrolled Insolvency Scenario results in a materially lower return to the Secured Scheme Creditors compared to the Controlled Insolvency Scenario, primarily due to:

- The significantly higher fees incurred as a result of an increase in the number of entities placed into liquidation (or other applicable local insolvency regime) across different jurisdictions, the inherent duplication of tasks across entities in separate insolvency processes, and the additional time required to complete sales of individual assets of entities and/or complete winding up processes;
- The increased likelihood of creditor set offs;
- Additional costs of realisation and other expenses incurred in preserving, realising or getting in property of the Group, or in carrying on the Group's business, on an entity by entity basis;
- The crystallisation of additional liabilities (that would be avoided under a controlled process), some of which may have to be paid before the two classes of scheme creditors (e.g. employee entitlements paid from the realisation of circulating assets); and
- Customers withholding payment, decreasing the recoverability of receivables.

I note that the enforceability of the security of the Secured Scheme Creditors in individual, smaller, less-established jurisdictions may also be challenging, which would further reduce the expected dividend.

8.6 Uncontrolled Insolvency Scenario calculation of expected dividend

8.6.1 Uncontrolled Insolvency Scenario realisation of assets

In calculating the expected dividend to both the Secured Scheme Creditors and the Unsecured Scheme Creditors in an Uncontrolled Insolvency Scenario, I have firstly adopted the Group's 30 April 2021 balance sheet on an entity-by-entity basis. As in the Controlled Insolvency Scenario, I excluded intercompany balances and have allocated the remaining consolidation adjustments between entities on a line item by line item basis, where possible to the relevant entities,

and otherwise based the allocation on each entity's absolute value-weighted share of the Group's balance²⁶. I subsequently adjusted these book values on an entity-by-entity basis for the realisable value of assets under a 'Forced Sale' premise of value, as well as the likely provable liability positions of creditors based on my general experience in formal insolvency roles, as detailed in Appendix M.

Table 59 in Appendix M summarises this output by classifying entities as either being in the Obligor Group (excluding BLY IP), BLY IP, or being non-obligor entities, which is necessary for the application of the security interests of the secured creditors. I note that I have also allocated assets between working capital and non-working capital, as is necessary to affect the respective priorities of the different secured creditors.

Based on representations from Management, I understand that recoveries under this scenario, where each entity in the Group is effectively in its own, separate liquidation process, would differ greatly across jurisdictions. Management view the Group's likely recoveries across their various operating jurisdictions as being dependent on which of the below levels each respective entity operates in, each reflecting relative difficulties in extracting value from the Group's assets:

- 1. Level 1:** Australia, Canada, United States, and New Zealand;
- 2. Level 2:** Chile, Europe, and Peru; and
- 3. Level 3:** Other entities (e.g. located in Africa, South-East Asia, etc.).

For this reason, in the Uncontrolled Insolvency Scenario I have applied assumptions to the Group's realisations generally on a sliding scale, depending on whether each entity is in either a Level 1, Level 2, or Level 3 operating jurisdiction as detailed in Appendix M.

After categorising entities on an operating jurisdiction basis, I have applied assumptions on a line-by-line basis. These assumptions reflect my general experience in realising assets of entities in complex group structures. This includes assumptions for entities operating in jurisdictions where I do not profess to be an expert in local insolvency law, or have experience in conducting liquidations (or other applicable processes). In these situations, whilst I have endeavoured to reflect some of the fundamental principles underpinning insolvency processes in other key jurisdictions, I have generally applied assumptions consistent with local insolvency law and liquidation processes in Australia.

As in the Controlled Insolvency Scenario, I adopted the third-party independent valuation of the Group's patents and trademarks as at February 2021, subject to the adjustments detailed in Appendix M.

8.6.2 Creditor waterfall

In order to determine stakeholder claims and the amounts that would be paid to the different creditors in each entity in the Group (including both the Secured Scheme Creditors and the Unsecured Scheme Creditors), I have developed a high-level Entity Priority Model ("EPM"). The EPM identifies each entity's distributable value and the rankings and characteristics of each of its claims, assuming that all enforcement occurs concurrently. Recoveries are subsequently allocated to different creditors in each entity, which excludes intercompany positions (as the Group's secured creditors are not paid in full, as detailed in Section 8.6.6), but includes the distribution of any surplus' in specific entities to the equity holders of those entities, such that 100% of the value of the Group is eventually distributed.

I note that the EPM I have used for the purposes of this Report has been generated based on high-level assumptions and the best available information as at the date of the Report. This includes assumptions for entities that operate in jurisdictions where I do not profess to be an expert in local insolvency law, or have experience in conducting liquidations (or other applicable processes).

In the event of any actual liquidation of entities in the Group, an EPM used for the purposes of determining the returns to various claimants (likely via a Court process) would use valuations and appraisals, and calculate recoveries, as at a different point in time to this Report, and would likely reflect more detailed assumptions (including actual claim

²⁶ Allocated on an absolute value basis to prevent issues in accounts with significant contra balances

amounts as at the date(s) of appointment). As a result, the actual return to the different classes of creditors in the event of an actual winding up may be materially different.

In addition to the asset realisations detailed in Appendix M, the EPM also considers the recoveries available to creditors as a result of potential surplus available to equity holders from the liquidation of subsidiary entities. Not considering these positions, particularly as the Obligor Group entities only represent approximately 59% of the realisable value of assets in the Group, and conducting the analysis only on a Group level, would likely overstate the return to secured creditors (i.e. it would not reflect the repayment of unsecured creditors in non-obligor entities). Any dividends from the liquidation of subsidiary entities have been allocated to non-working capital as they represent the realisation of non-circulating assets.

8.6.3 Key EPM assumptions

Based on my general experience, as well as the complex nature of concurrent appointments of liquidators over the entities of the Group, I have assumed that liquidator and professional fees would total approximately \$38.3 million in the Uncontrolled Insolvency Scenario. This includes fees related to the appointed liquidators, as well as their respective legal and financial advisors, noting that costs of realisation of the Group's assets are dealt with separately (see commentary in Appendix M). This is a significantly higher quantum of fees than that assumed in the Controlled Insolvency Scenario, reflecting an increase in the number of entities placed into liquidation (or other applicable local insolvency regime) across jurisdictions, noting that the Group has 76 entities with value contemplated to be realised under the EPM. Under the Uncontrolled Insolvency Scenario, there would be an inherent duplication of tasks across entities in separate insolvency processes, as well as additional time (and therefore fees) required to complete sales of individual assets of entities and/or complete winding up processes. There would also likely be a sizeable increase in litigation amongst entities in the Group, which would attract additional costs. I have allocated these fees between working capital and non-working capital in each entity based on the realisable value attributed to those asset classes.

In each entity I have assumed that priority creditors (i.e. employee liabilities) would be paid out first (to the extent possible) from realisations of circulating assets, as is consistent with Australian insolvency legislation, and generally consistent with similar approaches under United States and European legislation (noting there are differences across jurisdictions including restrictions on the amounts and types of liabilities claimable). In doing so, I increased the book value of employee liabilities in each relevant entity by 50% to reflect additional employee liabilities that may arise under a liquidation scenario (e.g. redundancy payments). Based on my general experience in formal insolvency roles in Australia, employee liabilities provable in a liquidation can be 3-4 times higher than the recorded book value. To the extent that priority creditors could not be repaid in full from the realisation of circulating assets, these residual claims were treated as unsecured claims in each entity.

In order to calculate the returns to be respectively paid to the Secured Scheme Creditors and the Unsecured Scheme Creditors, I have applied the priorities pursuant to the security agreements as per Table 52 in Section 8.4.3 above.

As discussed in Appendix M, I have made same adjustments to the Group's external debt as per the Controlled Insolvency Scenario in Section 8.4.3, to exclude deferred borrowing costs and an accounting adjustment for accelerated interest, as well as illustratively reflect the PIKing of the June 2021 cash interest on the SSNs. In addition, under the Uncontrolled Insolvency Scenario I have also assumed that the Group's letters of credit issued under the PNC ABL would be drawn, increasing the amount outstanding under the PNC ABL by \$6.0 million.

As detailed in Section 8.3.1, I have not considered any potential repayments of the Group's intercompany loans and/or receivables and payables, due to the subordination of these amounts to the Group's external debt facilities (which are not contemplated to be repaid in full under the Uncontrolled Insolvency Scenario).

Under an Uncontrolled Insolvency Scenario, I have assumed that the liquidators appointed across the Group would disclaim the Group's leased equipment. As a result, unsecured claims would arise in the liquidations of these entities for the outstanding amounts on the leases, net of any recoveries able to be obtained by the lessors, e.g. from re-letting the equipment. I have assumed that these liabilities crystallise at approximately 20% of the outstanding book value

liability of these leases as at 30 April 2021, noting that there will be 'overs' and 'unders' across entities and specific leases.

Given the EPM calculates the returns to creditors on an entity-by-entity basis, I have excluded balances related to corporate income tax payable by various tax groups across the Group. This was necessary as, due to the tax sharing agreements amongst entities in these tax groups, some entities have large receivable balances whereas others have large payables balances. Based on representations from Management, I understand that these plans are generally in a net liability position, however, I have been unable to allocate these amounts to specific entities. It may also be the case that, in the event of a return to unsecured creditors of less than 100c/\$ (including repayments of corporate income tax payables), these amounts may be claimable against other entities in each respective tax group. As such, I have excluded these net liabilities in totality across the Group. I note that including these amounts may further reduce the return to the Group's secured creditors, as it may increase unsecured creditor claims in non-obligor entities, some of which may currently have a surplus for equity holders under the EPM.

I have also reallocated \$27.2 million of contra balances within asset accounts to being unsecured claims in each entity in liquidation. This predominantly includes a \$12.3 million deferred tax liability in Boart Longyear Company (Utah) recorded within the balance of deferred tax assets, and \$12.9 million of contra balances included within non-trade receivables across the Group. Continuing to treat these amounts as assets would understate the potential realisable value of the Group's assets, and conversely understate the potential provable amount of the Group's liabilities.

As in Section 8.4.2, I have not attributed any value related to potential recoveries for voidable transactions in the Scheme Companies as:

- These recoveries are speculative and highly contingent;
- The Group's trade creditors are generally within terms;
- The Group's secured creditors have granted support by amending terms on an ongoing basis; and
- The Board of Directors of the Group have engaged a safe harbour advisor, which likely reduces the prospects of any insolvent trading claims.

As in the Controlled Insolvency Scenario, where a secured creditor was calculated to be paid more than their total claim across both working capital and non-working capital assets (i.e. the Incremental Financing), I have apportioned the payment of their claims from the pools of working capital and non-working capital realisations based on the proportion of total realisations related to each pool of assets.

8.6.4 Pension plans

The Group has four defined benefit pension plans, 12 defined contribution plans, two hybrid pension plans (i.e. both defined benefit and defined contribution plans), and one non-registered supplemental pension plan.

In relation to the defined benefit, hybrid, and supplemental plans, the Group had recorded the following provision balances as at 30 April 2021:

- (\$14.3 million) in Boart Longyear Company;
- (\$0.3 million) in Boart Longyear Manufacturing and Distribution Inc.;
- (\$0.1 million) in Boart Longyear Canada;
- (\$0.1 million) in Boart Longyear Canada Manufacturing;
- (\$5.8 million) in Boart Longyear GmbH & Co. Kg; and
- \$3.3 million in Boart Longyear Limited (Ireland).

The Group had also recorded the following pension plan asset balances as at 30 April 2021:

- \$6.8 million in Boart Longyear Canada; and

■ \$4.4 million in Boart Longyear Manufacturing Canada

I note that the actual surpluses and deficits in relation to each plan may differ from the values recorded in the Group's balance sheet as at 30 April 2021, and require actuarial calculations which have not been performed as at this date.

Whilst the assets contributed by the Group to these plans as well as the future obligations under each of these plans sit external to the Group, the Group records provision amounts in the balance sheet of each respective plan sponsor relating to the difference between the present value of the obligations and the fair value of the plan assets. Similarly, surpluses for plans managed on a going concern basis are recorded in accordance with paragraph 28.22 of FRS 102, based on the Group's assumption that these surpluses will eventually be recoverable following the death of the last member in each plan. If funds with surpluses were to be dissolved or wound up before this date, none of the funds have a surplus on an immediate discontinuance basis. As such I have not included any recoverable value under the Uncontrolled Insolvency Scenario in relation to these surpluses.

With regards to the provision balances related to deficits in some of the Group's plans, based on representations from Management, I understand that these deficits would generally only be recoverable against each plan's sponsor entity. However, I note that there may be an attempt to recover against parent entities if the corporate form of the subsidiary was misused, the subsidiary was undercapitalised, or potentially based on country-specific laws related to corporate veil piercing. In these situations, fund administrators generally have an unsecured claim in the winding up of sponsor entities. I have not considered to what extent these unsecured claims may have a priority (including any statutory or other liens) in the Uncontrolled Insolvency Scenario or any potential claims against parent entities (as detailed above), though I note this would likely only reduce the return to the Secured Scheme Creditors.

8.6.5 Waterfall summary

As a result of applying the assumptions detailed above, Table 35 below summarises the various realisations and creditor repayments as calculated in the EPM on an entity-by-entity basis.

Table 35: Summary of EPM waterfall

<u>\$ million</u>	<u>Obligor Group</u>	<u>BLY IP</u>	<u>Non-obligors</u>	<u>Total</u>
Working capital				
Asset realisations	143.5	-	70.2	213.7
Liquidator and professional fees	(14.8)	-	(11.9)	(26.7)
Priority creditors	(37.5)	-	(13.1)	(50.5)
Total surplus for secured creditors	91.2	-	45.2	136.5
Secured creditors				
PNC ABL	(49.3)	-	-	(49.3)
Incremental Financing	(21.1)	-	-	(21.1)
Backstop ABL	(20.8)	-	-	(20.8)
TLA	-	-	-	-
TLB	-	-	-	-
SSNs	-	-	-	-
Total surplus for unsecured creditors	0.0	-	45.2	45.2
Non-working capital				
Asset realisations	63.1	3.3	10.1	76.5
Dividends from subsidiaries	12.3	-	8.6	20.9
Liquidator and professional fees	(7.9)	(0.5)	(3.5)	(11.9)
Total surplus for secured creditors	67.6	2.8	15.1	85.5
Secured creditors				
Incremental Financing	(8.8)	-	-	(8.8)
SSNs (stub)	(0.7)	-	-	(0.7)
TLB	(15.0)	-	-	(15.0)
SSNs	(43.1)	-	-	(43.1)
TLA	-	-	-	-
Backstop ABL	-	-	-	-
PNC ABL	-	-	-	-
Total surplus for unsecured creditors	-	2.8	15.1	17.9
Unsecured creditors				
Secured scheme creditors	-	(1.6)	-	(1.6)
Other secured creditors	-	(0.5)	-	(0.5)
Unsecured scheme creditors	-	(0.7)	-	(0.7)
External unsecured creditors	-	(0.0)	(37.4)	(37.4)
Priority creditors	-	-	(1.1)	(1.1)
Intercompany creditors	-	-	-	-
Total surplus for equity holders	-	-	21.9	21.9
External equity holders	-	-	(1.0)	(1.0)
Total surplus for Group entities	-	-	20.9	20.9

Source: the Group, FTI Consulting analysis

In the non-obligor entities, there are total recoveries from working capital assets of \$70.2 million, from which \$11.9 million of the total liquidator and professional fees would be paid. Subsequent to this, across the various entities \$13.1 million of priority creditors could be repaid in full, leaving \$3.3 million residual priority creditors with an unsecured claim against the various non-obligor entities. There are also total recoveries from non-working capital assets of \$10.1 million, from which \$3.5 million of liquidator and professional fees would be paid. Of the \$3.3 million of residual priority creditors, only \$1.1 million was calculated as being repaid in entities with surpluses for unsecured creditors, with a

further \$37.4 million repaid to external third-party unsecured creditors. Following the repayment of these unsecured claims, across the non-obligor entities there was a total surplus of \$21.9 million available to be repaid to equity holders. Of this amount, \$3.9 million was in Longyear South Africa (Pty) Ltd, of which \$1.0 million would be payable to the 26.23% external equity holders, being The Longyear BEE Trust, leaving \$20.9 million for other entities within the Group (split between \$8.6 million amongst other non-obligor entities and \$12.3 million amongst the Obligor Group excluding BLY IP).

In BLY IP, there are total recoveries from non-working capital assets of \$3.3 million, relating to realisations of the intellectual property held by this entity (as detailed in Appendix M). From this, \$0.5 million of liquidator and professional fees would be paid, leaving a total surplus of \$2.8 million available for unsecured creditors. In the winding up of BLY IP, as detailed in Table 32, the Group's secured creditors only have unsecured claims against this entity. As such, the surplus in BLY IP is repaid to the Group's secured creditors (including both the Secured Scheme Creditors and other secured creditors) and BLY IP's third-party unsecured creditors at a rate of 0.3c/\$ leaving no surplus available for BLY US, its parent company.

In the Obligor Group (excluding BLY IP), there are total recoveries from working capital assets of \$143.5 million, from which \$14.8 million of liquidator and professional fees would be paid. Subsequent to this, across the Obligor Group (excluding BLY IP) \$37.5 million of priority creditors could be repaid in full, leaving \$9.8 million residual priority creditors with an unsecured claim against the various entities in the Obligor Group (excluding BLY IP). This total surplus of \$91.2 million is subsequently distributed amongst the secured creditors, applying the priorities for working capital assets pursuant to the security agreements as summarised in Table 32 in Section 8.4.3. There are also total recoveries from non-working capital assets of \$63.1 million, plus a further \$12.3 million in dividends from subsidiaries. From this, I have calculated that \$7.9 million of liquidator and professional fees would be paid prior to the distribution to the secured creditors, applying the respective priorities for non-working capital assets.

I note that the repayments against each facility detailed in the table above should be considered inclusive of the returns to the Secured Scheme Creditors and other secured creditors in BLY IP, i.e. the outstanding claim related to the PNC ABL of \$49.5 million is repaid in full after combining the \$49.3 million repayment from working capital assets in the Obligor Group (excluding BLY IP), as well as \$0.2 million from the total \$0.5 million paid to other secured creditors in BLY IP.

8.6.6 Expected dividend

Based on the allocation of the recoveries to the various creditors as detailed in the EPM waterfall in Table 35 above, I have summarised the expected dividend available to different types of creditors, as detailed in the table below.

Table 36: Uncontrolled Insolvency Scenario expected dividend to creditors

\$ million	Claim amount	Obligor Group	Expected dividend		Total	Return (c / \$)
			BLY IP	Non-obligors		
Secured Scheme Creditors ²⁷	492.2	58.7	1.6	-	60.3	12.3
Other secured creditors	139.8	100.0	0.5	-	100.5	71.9
Unsecured Scheme Creditors	301.7	-	0.7	-	0.7	0.2
Priority creditors	63.5	37.5	-	14.1	51.6	81.2
Other unsecured creditors	213.8	-	0.0	37.4	37.4	17.5
Total	1,210.9	196.2	2.8	51.5	250.5	20.7

Source: Management accounts, FTI Consulting analysis

As a result, the expected dividend respectively available to the Secured Scheme Creditors and the Unsecured Scheme Creditors would be as per Table 3 below.

Table 3: Uncontrolled Insolvency Scenario expected dividend summary

\$ million	Debt	Return	Return (c / \$)
Secured Scheme Creditors	492.2	60.3	12.3
Unsecured Scheme Creditors	301.7	0.7	0.2

Source: the Group, FTI Consulting analysis

The expected dividend to the Unsecured Scheme Creditors is higher under the Uncontrolled Insolvency Scenario, as the realisable value from BLY IP's assets is distributed equally amongst the Secured Scheme Creditors, the Unsecured Scheme Creditors, and other creditors, as all have an unsecured claim against BLY IP.

²⁷ The expected dividend to the Secured Scheme Creditors in Table 36 excludes the expected dividend in respect of the PNC ABL, Backstop ABL, and Incremental Financing, as the holders of amounts owed under these facilities are not Secured Scheme Creditors as defined in Section 1.2 and the Schemes. The expected dividend in respect of the amounts owed under these facilities is reflected separately in the return to other secured creditors.

9. Outcome for the Group if Schemes are not implemented

9.1 Overview and opinion

I have been instructed to assess the likely outcome for the Group (including the Scheme Companies) should the Schemes not be implemented having regard to the Group's (including the Scheme Companies) existing financial position and projections.

My analysis considers:

1. The likely solvency of the Group assuming all current debt obligations remain unchanged or align with the assumptions detailed below; and
2. The longer-term outlook for the business, including its ability to refinance its debts as and when they fall due.

In my opinion, and for the reasons detailed below, if the proposed restructure is not implemented, and no alternate restructuring plan was reasonably certain of being advanced, the Group would likely be unable to pay its debts as and when they fall due. In this circumstance the directors of the Scheme Companies would likely immediately seek to appoint voluntary administrators (or other applicable insolvency appointment) to the Scheme Companies and other entities within the Group.

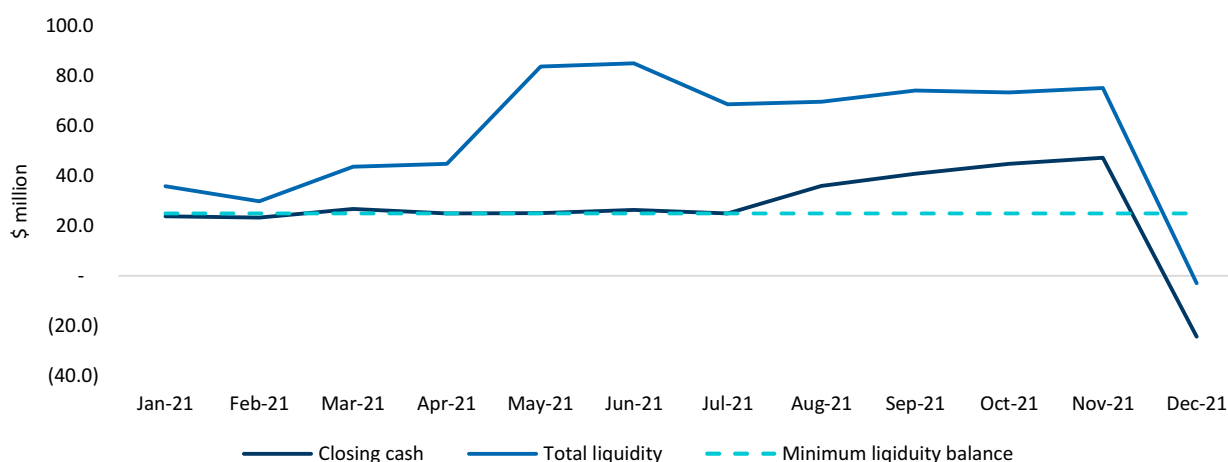
9.2 Review of the No Transaction Forecast

I have been provided with a revised forecast based on the FY21 RF1 Budget to 31 December 2021 that details the likely financial outcomes in the event the Schemes are not implemented (the "No Transaction Forecast"). The No Transaction Forecast provides a monthly forecast of the Group's cash flow statement, profit and loss statement, and balance sheet for the period 1 January 2021 to 31 December 2021, and as with the FY21 RF1 Budget, incorporates actual results for the months of January 2021 to March 2021.

The key assumptions underpinning the No Transaction Forecast are:

- Assumptions related to the day to day operations of the Group for FY21 are based on the FY21 RF1 Budget prepared by the Group and approved by the Board of Director in May 2021;
- The Schemes are not implemented;
- There is no material or noticeable disruption to the underlying operations of the Group as a result of the Schemes not being implemented;
- The Exit Financing is not secured, given the Schemes are not implemented, and the Incremental Financing of \$50.0 million is required to be repaid on 31 December 2021, along with \$2.7 million in accrued interest;
- The 31 December 2021 SSNs interest payment of \$15.2 million is paid in cash;
- The lenders under the PNC ABL maintain terms, including no line blocks of \$10.0 million, cash dominion of 12.5%, and no change to advance rates;
- There is no acceleration of debt repayments from either the TLA, TLB or SSNs; and
- No success fees are paid to professionals in August 2021 (\$9.3 million), but other fees are likely to be incurred in the context of the non-completion of the transaction and potential related litigation and/or legal action.

Figure 7: No Transaction Forecast monthly cash and liquidity (1 January 2021 to 31 December 2021)



Source: No Transaction Forecast

I consider the assumptions in the No Transaction Forecast to be optimistic on the basis that if the Schemes are not implemented, there is likely to be material disruption to operations, and by extension the financial results, of the Group. These disruptions are likely to include, but not be limited to, the following:

- The capital markets, including rating agencies, may react adversely to the previously announced Schemes not being effectuated;
- This is likely to cause concerns amongst trade suppliers regarding ongoing creditworthiness, which may cause tighter terms and possibly even non-supply, linked to an inability to obtain credit insurance;
- Customers may be unwilling to enter into long term contracts, given the uncertainty regarding the outlook for the Group; and
- Key executives may consider other, more stable, long term opportunities.

These issues could have significant adverse consequences to the Group's operations and financial results.

Further, the No Transaction Forecast provides that the Exit Financing is not secured, resulting in the Incremental Financing (and any related accrued interest) becoming due payable at 31 December 2021. I consider this assumption to be appropriate.

9.3 Solvency of the Group if Schemes not implemented

Based on the outputs of the No Transaction Forecast (and noting that I consider the forecasts to be optimistic for reasons outlined above), the Group will have insufficient liquidity at 31 December 2021 to meet the repayment of the Incremental Financing from its own operations and would be solely reliant on obtaining a refinance, from either a third party or existing lenders or securing an extension to the repayment date, to remain solvent.

Of importance and relevance, is that all remaining finance facilities mature in FY22 (refer to Section 3.2 and Table 5). Any proposed debt or equity investment would be considered in the broader maturity profile of the Group and how those maturities would be proposed to be managed, again in light of the risks to the forecasts outlined above.

Given these issues, I have considered the ability of the Group to raise funds (either from debt or equity) to continue to meet its ongoing liabilities. In circumstances where the Schemes are not implemented, and absent express support from existing lenders, I consider that there are little to no prospects of further debt or equity being raised (particularly in view of the historical restructuring initiatives already undertaken) within the timeframes required.

Practically, in these circumstances, and in light of the currently unsustainable debt position, it could only be a significant equity injection (to repay debt), along the lines of the Schemes as currently proposed, that would be sufficient to

ensure the ongoing solvency of the Group. There appears little to no prospect of this occurring within the timeframes required.

While the repayment of the Incremental Financing is assumed to occur at 31 December 2021, the Board of Directors would need to assess the ability of the Group to secure an alternate outcome immediately following notification that the Schemes would not be implemented, in order to determine whether the Group would be insolvent at that point in time.

In my opinion, if the proposed restructure is not implemented, and no alternate restructuring plan was reasonably certain of being advanced, the Group would be in a position whereby it was likely to be unable to pay its debts as and when they fall due from the date the Schemes are either rejected or not implemented, and certainly by no later than 31 December 2021, when the Incremental Financing and any accrued interest becomes payable.

On balance, I consider it is more likely that the Group would likely be unable to pay its debts as and when they fall due from the date the Schemes are either rejected or not implemented. As at this date, there would be very little prospect of raising sufficient funds to meet the required repayment on 31 December 2021 and to repay other debt maturities coming due throughout FY22, absent a wider restructuring plan being agreed upon by all stakeholders. Given the current Scheme Proposals are effectively the restructuring plan that had been agreed upon and they would have been unable to be implemented, it is difficult to see a plausible alternative being agreed upon in the timeframes required.

In these circumstances, it is likely:

- The directors of the Scheme Companies would seek to appoint voluntary administrators (or an alternate form of insolvency appointment) to the Scheme Companies and potentially other entities;
- The lenders under the PNC ABL, the Backstop ABL, the Incremental Financing, or the Secured Scheme Creditors may call for immediate repayment or seek to accelerate debt repayments and appoint receivers to the Obligor Group; and
- Without the support of the Group's lenders, either of the above scenarios would likely result in some form of insolvency appointment to subsidiaries in other jurisdictions.

My opinion on the expected dividend to the Secured Scheme Creditors and the Unsecured Scheme Creditors should the Scheme Companies be wound-up is set out in Section 8.

Appendix A: Curriculum vitae



Chris Hill

Senior Managing Director
Corporate Finance & Restructuring

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T +61 2 8247 8063
chris.hill@fticonsulting.com

Education

Bachelor of Commerce,
The University of Adelaide

Certifications

Chartered Accountant
Registered Liquidator

Associations

Chartered Accountants
Australia and New Zealand
(CAANZ)

Australian Restructuring
Insolvency and Turnaround
Association (ARITA)

Chris Hill has over 25 years' experience in the restructuring and advisory sector across a wide range of industries. Chris has undertaken engagements involving Independent Business Reviews, informal advisory mandates and formal insolvency roles acting as Voluntary Administrator and Receiver and Manager, across multiple industries including the Mining, Property, Infrastructure and Private Public Partnership sector. In addition, Chris has also undertaken a number of expert witness roles opining on issues associated with solvency and antecedent transactions.

Chris' engagements include acting as: Voluntary Administrator of Autocare Services Pty Ltd, a large scale logistics provider to OEM's; the Receiver and Manager of an ASX listed Network Television Station; the Voluntary Administrator of an ASX listed mining company; restructuring adviser to a partner involved in a large-scale renewables construction joint venture; and, adviser to the NSW Government in relation to a transport Private Public Partnership.

Critical aspects of both the informal and formal roles Chris has undertaken include:

- Independent, critical reviews of forecasts, including underlying assumptions, for the purpose of assessing reasonableness and conducting sensitivity analysis;
- Conducting campaigns for the sale of businesses as going concerns and assets on a piecemeal basis, including assessing the value of either businesses and/or assets for sale; and
- Managing multiple stakeholders in complex situations to drive commercial outcomes.

Prior to joining FTI Consulting, Chris was a partner at PwC in the Restructuring practice, following on from the acquisition of his former practice, PPB Advisory. Prior to that Chris held roles at National Australia Bank and Ferrier Hodgson.

Relevant Experience:

- Autocare Services Pty Ltd, a large-scale logistics provider to OEM's – Voluntary Administrator – recapitalised through a Deed of Company Arrangement following an on market sale campaign
- Flow Systems Pty Ltd, a private equity owned water infrastructure business – Voluntary Administrator – recapitalised through a Deed of Company Arrangement following an on market sale campaign

Relevant Experience (Con't):

- Ten Network Holdings Limited, an ASX listed Network television station – Receiver and Manager – sale to CBS Network in a take private transaction via section 444GA, following an on market sale campaign
- Bounty Mining Limited, an ASX listed coalminer – Receiver and Manager – sale to QCoal Limited following an on market sale campaign
- Lending syndicate on BIS Industries, a private equity held mining business – Restructuring adviser – restructured via a Creditors Scheme of Arrangement, following an assessment of market value compared to senior secured debt levels
- Lending syndicate of a marine services provider – Restructuring adviser – recapitalisation via a new equity injection and debt resizing following an assessment of market value compared to senior secured debt levels
- New Royal Adelaide Hospital – Independent Expert for a Creditors Scheme of Arrangement
- WDR Resources Limited (In Liquidation) – Independent Expert in relation to solvency
- Aurelia Metals Limited – Independent Expert in relation to solvency

Appendix B: Engagement letter

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27 July 2021

BY EMAIL

Christopher Hill
FTI Consulting
Level 22, Gateway
1 Macquarie Place
Sydney NSW 2000



Dear Mr Hill

Engagement for Dividend and Solvency Analysis in relation to the Creditors' Schemes of Arrangement of Boart Longyear Limited (the Schemes)

We act for Boart Longyear Limited (**Listco**) and its subsidiaries (**Group**), which include Boart Longyear Management Pty Limited (**FinCo 1**), BL Capital Management LLC (**FinCo 2**), Boart Longyear Investments Pty Limited (**BLY Investments**), Boart Longyear Australia Pty Limited (**BLY Australia**), BLY US Holdings Inc. (**BLY US**) and Votrait No. 1609 Pty Limited (**Votrait**).

1. INTRODUCTION

1.1 The Group's debt capital structure can be summarised as follows:

- (a) a Secured Revolving Credit and Security Agreement dated 23 July 2017 provided to FinCo 1, as amended and restated from time to time (**PNC ABL**);
- (b) a Secured Term Loan Securities Agreement dated 23 July 2017 provided to FinCo 1, as amended and restated from time to time (**Backstop ABL**);
- (c) a Term Loan A Securities Agreement dated 31 December 2018 issued by FinCo 2, as amended and restated from time to time (**TLA**);
- (d) a Term Loan B Securities Agreement dated 31 December 2018 issued by FinCo 2, as amended and restated from time to time (**TLB**);
- (e) 12.0%/10.0% Senior Secured PIK Toggle Notes due 31 December 2022 issued by FinCo 1, as amended and restated from time to time (**SSN's**); and
- (f) 1.50% Subordinated PIK Notes due 31 December 2022 issued by FinCo 1, as amended and restated from time to time (**SUN's**),

together, the **Finance Documents**.

AUSTRALIA BELGIUM CHINA FRANCE GERMANY HONG KONG SAR INDONESIA (ASSOCIATED OFFICE) ITALY JAPAN PAPUA NEW GUINEA SAUDI ARABIA (ASSOCIATED OFFICE) SINGAPORE SPAIN SWEDEN UNITED ARAB EMIRATES UNITED KINGDOM UNITED STATES OF AMERICA

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- 1.2 Listco, Finco 1, Finco 2, BLY Investments, BLY Australia, BLY US and Votraint (together, the **Scheme Companies**) propose to enter into the following interdependent schemes of arrangement with certain of their creditors under the Finance Documents, being:
- (a) the holders of the TLA, TLB and SSN's (together, the **Secured Scheme Creditors**); and
 - (b) the holders of the SUN's and certain unsecured interest and premium due under the TLA, TLB and the SSN's (the **Unsecured Scheme Creditors**).
- 1.3 We have been instructed by the Scheme Companies to engage you to prepare an independent expert report on behalf of the Scheme Companies and the Group addressing financial matters relating to the proposals by the Scheme Companies and certain of their creditors to apply for orders under section 411 of the *Corporations Act 2001* (Cth) (**Act**) convening respective meetings of the Secured Scheme Creditors and the Unsecured Scheme Creditors to consider inter-conditional schemes of arrangement. Your independent expert report is also to be prepared for use by the directors of the Scheme Companies in relation to the Schemes.
- 1.4 The Scheme Companies wish to appoint you as an independent expert.

2. INSTRUCTIONS

- 2.1 You are instructed to prepare an independent expert report (**FTI Report**) addressing the following matters:
- (a) The solvency of the Group following the implementation of the proposed Schemes:
 - (i) solvency is to be determined following completion of the Schemes; and
 - (ii) you are to determine "solvency" with reference to section 95A of the Act.
 - (b) The expected dividend that would be respectively available to the:
 - (i) Secured Scheme Creditors; and
 - (ii) Unsecured Scheme Creditors;if the Scheme Companies were to be wound up within 6 months of the hearing of the application for an order under section 411(1) and (1A) of the Act.
 - (c) The expected dividend that would be respectively paid to the:
 - (i) Secured Scheme Creditors; and
 - (ii) Unsecured Scheme Creditors;if the Schemes were put into effect as proposed.

The requirement to calculate the expected dividend that would be paid to the Secured Scheme Creditors and Unsecured Scheme Creditors if the Schemes were to be put into effect is drawn from s 8201(b) in Part 2 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (**Regulations**).

If, in response to paragraph (a) above, you conclude that the Scheme Companies will be solvent following the implementation of the Schemes, then the Scheme Companies would not be wound up following the implementation of the Schemes and based on the terms of the Schemes, despite the calculation required by the Regulations, no dividend would actually be paid to the Secured Scheme Creditors and Unsecured Scheme Creditors in a liquidation.

In these circumstances, the instruction in (c) above still requires you to calculate the *dividend* that would be paid to Secured Scheme Creditors and Unsecured Scheme Creditors if the Schemes were implemented.

If you conclude in response to (a) above that the Scheme Companies would be solvent following the implementation of the Schemes, in order to reduce the risk that a reader of your report might be confused by the use of the term "expected dividend" in circumstances where the Scheme Companies are not being wound up, we request that where you are addressing the calculation described in (c) above in your report you refer to the implied value to the Secured Scheme Creditors and the Unsecured Scheme Creditors (**Implied Value**) instead of "expected dividend".

- (d) The likely outcome for the Group (including the Scheme Companies) should the Schemes not be implemented having regard to the Group's (including the Scheme Companies) existing financial position, and projections.
- 2.2 The FTI Report should include a schedule listing the data, reports and other information (to the extent this material is not set out in the body of the FTI Report) which has been used to prepare the FTI Report.
- 2.3 You are also instructed to read the following **enclosed** documents:
- (a) Expert Witness Code of Conduct from the Uniform Civil Procedure Rules 2005 (NSW) and to acknowledge in the FTI Report that you have done so and agree to comply with it; and
 - (b) Regulatory Guides 60 (dated September 2020), 111 (dated October 2020) and 112 (dated March 2011) issued by ASIC and to acknowledge in the FTI Report that you have done so and consider that you are independent in accordance with the requirements of Regulatory Guides 60, 111 and 112 and that you consider that you have complied with the terms of those document.
- 2.4 You are also instructed to disclose in the FTI Report the existence of any engagements you have had with the Group.

3. **COURT PROCEEDINGS AND THE USE OF THE FTI REPORT**

- 3.1 You agree that the directors of the Scheme Companies may rely on the FTI Report for, amongst other things, considering whether the Scheme Companies would be solvent (within the meaning of section 95A of the Act) following implementation of the Schemes.
- 3.2 You agree to the inclusion of the FTI Report as:
- (a) an annexure to the Explanatory Statement to be provided by the Scheme Companies to the Secured Scheme Creditors, Unsecured Scheme Creditors and others (including ASIC and the ASX) in relation to the Schemes; and
 - (b) an annexure to a notice of meeting to the shareholders of the Scheme Companies.
- 3.3 Schemes of arrangement are subject to Court approval. Any applications by the Scheme Companies will require the following documents to be included in the applications to the Court:
- (a) the FTI Report; and
 - (b) an affidavit from you introducing and annexing or exhibiting the FTI Report and verifying the opinions contained therein.

3.4 You agree to the FTI Report being used in the proceedings before the Court relating to the Schemes, and to the provision of affidavits by you in relation to the FTI Report in the Court proceedings.

4. **CONFIDENTIALITY**

4.1 Your services as independent expert may require you to receive confidential and/or proprietary information or property of the Scheme Companies. You agree to maintain all documents, information and things obtained in connection with this matter in strict confidence. You agree to maintain any reports, work papers, memoranda or summaries which may be prepared in connection with the engagement by you or personnel assisting you in strict confidence. You agree not to disclose these things to any person or use them for any purpose apart from assisting Ashurst and the Scheme Companies in relation to this matter, and you agree to ensure your personnel are obliged to do the same. You agree to retain all such material, subject to our instructions.

4.2 Apart from engaging with us, the Scheme Companies and its authorised personnel or consultants, and the giving of evidence in the Court proceedings:

- (a) you must keep all communications between us confidential (including the contents of this letter). It is a condition of this engagement that you take all reasonable measures to protect the confidentiality of, and any privilege attaching to, these communications;
- (b) you must not disclose to anyone the content of any confidential oral or written communication relating to this engagement;
- (c) no other use, disclosure or dissemination of such materials or information gained in connection with this engagement is to be made without prior written consent, except as may be required by law; and
- (d) you must not discuss any aspect of this matter with any other person, or inform them of your involvement in this matter, without our prior written consent.

4.3 There may be specific confidentiality orders applying to the Court proceedings described above. We will advise you if and when such orders apply to you. If you are ever in doubt about what may be discussed with others, please contact us to ensure there is no inadvertent breach of this agreement or any Court orders.

4.4 Please mark any written communications (including emails) and reports involving this matter "**Privileged and Confidential**". Please address all letters and faxes in connection with your services to:

Privileged and Confidential

Attention: James Marshall
Ashurst Australia
Level 11, 5 Martin Place
Sydney NSW 2000

4.5 All documents obtained in the course of this engagement must be returned to us upon request. The obligations in this letter expressly apply to both you and any personnel providing assistance to you. The obligations in this letter survive expiration or termination of this engagement.

5. **YOUR FEES**

We confirm that the Scheme Companies will ultimately be responsible for your fees for the preparation of the independent expert report.

6. **CONFIRMATION**

Please confirm whether you and FTI Consulting agrees to the terms of this engagement, including the confidentiality requirements, by return letter.

Please contact James Marshall or Sarah Worrall should you require any further information or confirmation, or if you have any questions or issues in relation to this letter or otherwise.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ashurst', written in a cursive style.

Ashurst Australia

Appendix C: Regulatory guides

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ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 111

Content of expert reports

October 2020

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It provides guidance on the content of an expert report and how an expert can help security holders make informed decisions about transactions.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued in October 2020 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 111, issued October 2007, reissued March 2011

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

This guide gives ASIC's views on how an expert can help security holders make informed decisions about transactions.

It gives guidance to experts on how to draft an expert report that satisfies the requirements of the *Corporations Act 2001* (Corporations Act).

This guide outlines our views on:

- how experts should analyse a proposed transaction (see Section B);
- the different valuation methodologies used by experts and the treatment of assumptions (see Section C);
- general requirements for all expert reports (see Section D); and
- the regulatory action we might take against an expert (see Section E).

Reports covered by this guide

- RG 111.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the Corporations Act, whether the reports are required by the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports for inclusion in Ch 6D disclosure documents and Ch 7 product disclosure statements.
- RG 111.2 This guide does not apply to independent or investigating accountant reports.
- RG 111.3 Examples of transactions for which entities are required to commission an independent expert report or may do so voluntarily to assist security holders to make an informed choice are takeover bids, compulsory acquisitions and buy-outs, schemes of arrangement, related party transactions and capital reorganisations: see Table 1.
- RG 111.4 Where the Corporations Act or Australian Securities Exchange Limited (ASX) Listing Rules require an entity to commission an independent expert report, this is generally to ensure that shareholders receive an independent analysis of transactions involving related parties or other persons of influence. For example, s640 of the Corporations Act requires an independent expert report where the bidder has a 30% voting power in the target company or the bidder and target have common directors. It is important that an expert applies close scrutiny to a transaction involving a related party or other person of influence and critically analyses the information provided to it.

Table 1: Examples of transactions for which entities commission an independent expert report

Transaction	Circumstances
Takeover bids	<ul style="list-style-type: none"> • The target must commission an expert report when the bidder's voting power in the target is at least 30% of the target or when the bidder and the target have common directors: s640. • The bidder must commission an expert report when the consideration paid by the bidder for acquiring a pre-bid stake includes unquoted securities: s636(1)(h)(iii) and 636(2). • Targets often commission expert reports to assist security holders, even if there is no requirement to do so. • In joint bids the bidders must use their best endeavours to have the target engage an independent expert to prepare a report on whether the joint bid is fair and reasonable to target shareholders who are not associates of the bidders: see Table 9 in Regulatory Guide 9 Takeover bids (RG 9) and RG 9.649.
Schemes of arrangement	<ul style="list-style-type: none"> • The scheme company must commission an expert report when the other party to the scheme holds at least 30% of the voting shares of the scheme company or when they have common directors: reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations). • Scheme companies often commission an expert report when transactions are complex or effect a takeover.
Compulsory acquisitions or buy-outs	The bidder in a compulsory acquisition must commission an expert report under s663B, 664C, 665B and 667A.
Acquisitions approved by security holders under item 7 of s611	The company commissions an expert report (or, if it has the expertise, a director's report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution: item 7(b) of s611.
Selective capital reductions	An expert report should usually accompany the explanatory memorandum to satisfy the information requirements of fairness under s256C(4).
Related party transactions	An expert report may be supplied to members as part of the material to accompany the notice of meeting: s218, 219, 220 and 221.
Transactions with persons in a position of influence	Notices of meeting for approvals under ASX Listing Rule 10.10 must be accompanied by an expert report: ASX Listing Rule 10.10.2.
Demutualisations of financial institutions	An expert report must accompany a notice of meeting for a demutualisation of a financial institution or friendly society: Sch 4, cl 29(4).
Buy-backs	If a company proposes to buy-back a significant percentage of securities or the holdings of a major shareholder, it should consider providing an independent expert report with a valuation of the shares: Regulatory Guide 110 Share buy-backs (RG 110) at RG 110.18 and RG 110.20.

Transaction	Circumstances
Share transfers under s444GA	Share transfers under s444GA that require relief from s606 will generally require an expert report to help: <ul style="list-style-type: none"><li data-bbox="628 376 1225 409">• ASIC in determining whether to grant relief from s606;<li data-bbox="628 416 1382 479">• members, creditors, interested persons and ASIC in their decision to oppose leave of the court; and<li data-bbox="628 486 1054 519">• the court in its decision to grant leave.

B Analysing a transaction

Key points

An expert should focus on the issues facing the security holders for whom the report is being prepared: see RG 111.5–RG 111.7.

An expert should focus on the substance of the transaction rather than the legal mechanism used to achieve that purpose: see RG 111.8–RG 111.34.

Some transactions will require a different form of analysis, particularly:

- demergers and demutualisations (see RG 111.35–RG 111.40);
- approval of a sale of securities under item 7 of s611 (see RG 111.41–RG 111.46);
- compulsory acquisitions and buyouts (see RG 111.47–RG 111.51); and
- share transfers under s444GA (see RG 111.64–RG 111.80).

When assessing whether a related party transaction is ‘fair and reasonable’, an expert should consider the overall effect of the transaction: see RG 111.53–RG 111.63.

A recommended approach

- RG 111.5 In deciding on the appropriate form of analysis for a report, an expert should bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction. An expert should focus on the purpose and outcome of the transaction, that is, the substance of the transaction, rather than the legal mechanism used to effect the transaction.
- RG 111.6 The Corporations Act requires an expert to express the opinion using particular language depending on the type of transaction. For example:
- (a) whether a takeover bid is ‘fair and reasonable’ under s640;
 - (b) whether a scheme of arrangement is in ‘the best interests of the members of the company’ under Sch 8, cl 8303 of the Corporations Regulations; and
 - (c) whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities under s667A(1).
- RG 111.7 Nevertheless, the form of analysis an expert uses to evaluate a transaction should address the issues faced by security holders. The rest of this section sets out our guidance on the form of analysis an expert should use for particular types of transactions.

Control transactions

RG 111.8 A control transaction, when a person acquires, or increases, a controlling stake in a company, can be achieved by way of a number of different legal mechanisms, including, for example:

- (a) a takeover bid under Ch 6;
- (b) a scheme of arrangement under Pt 5.1;
- (c) approval of an issue of shares using item 7 of s611; and
- (d) a selective capital reduction or selective buy-back under Ch 2J.

Note 1: Ch 6 extends to listed managed investment schemes and listed bodies that are not companies. For the purposes of this regulatory guide, references to a 'company' in the context of Ch 6 takeovers can be read as references to these bodies or schemes, when appropriate.

Note 2: Not all transactions under item 7 of s611 involve the issue of shares. For those transactions that do not involve the issue of shares, see RG 111.41–RG 111.46.

RG 111.9 It is important for an expert to focus on the substance of a control transaction, rather than the legal mechanism used to effect it.

Takeover bids

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 establish two distinct criteria for an expert analysing a control transaction:

- (a) is the offer 'fair'; and
- (b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and

Note: Any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under this comparison, but see RG 111.13(e).

- (b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

- RG 111.12 An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- RG 111.13 When deciding whether an offer is reasonable, an expert might consider:
- (a) the bidder’s pre-existing voting power in securities in the target;
 - (b) other significant security holding blocks in the target;
 - (c) the liquidity of the market in the target’s securities;
 - (d) taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
 - (e) any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
 - (f) the likely market price if the offer is unsuccessful; and
 - (g) the value to an alternative bidder and likelihood of an alternative offer being made
- RG 111.14 For example, a bidder who controls a target and makes a takeover bid may offer a price which is ‘not fair’ as it includes a minority discount. The offer price may, however, be greater than the price at which the securities were trading before the takeover bid was made. In such circumstances, it is appropriate for the expert to consider whether the market price may fall if the offer is unsuccessful: see RG 111.13(f). It would also be appropriate for the expert to consider the matters set out in RG 111.13(d) and RG 111.13(f) in assessing the likelihood that the bidder would increase its offer price, including to a price that an expert would assess as ‘fair’.
- RG 111.15 A bidder may also offer a price which is ‘not fair’ where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g. an orderly realisation of the target’s assets). Such an offer may nonetheless be reasonable if the alternative methods of remedying the financial distress are likely to be less attractive to security holders than a successful offer.

Note: For the avoidance of doubt, funding requirements for a target that is not in financial distress (e.g. capital that is required to develop a project) should generally be taken into account when determining the fair value of target securities: see *Northern Energy Corporation Limited* [2011] ATP 2. Such funding requirements will generally be relevant to determining the value of the target securities assuming knowledgeable and willing, but not anxious, parties. These funding requirements will often be implicitly reflected in certain methodologies (e.g. the quoted price for listed securities). The expert may need to expressly determine to take funding requirements into account when using other methodologies (e.g. the discounted cash flow methodology).

- RG 111.16 An expert concluding that an offer is not fair, but reasonable, should clearly explain the meaning of this opinion, why the expert has reached this conclusion and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holder's decision making). Otherwise, depending on the circumstances, the report might be misleading or deceptive. In describing the factors that are relevant to a conclusion that an offer is reasonable, an expert should generally only include the factors that are material to this conclusion.
- RG 111.17 To the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the reasonableness factors it considers to be material. For example:
- (a) if the expert comments that the share price may fall if the bid is unsuccessful, the expert should consider providing quantitative information such as the pre-announcement share price (or volume weighted average price) and the liquidity profile of the target's shares; and
 - (b) if the bidder controls the target, the expert should consider quantifying the size of the minority discount.

Control transactions by way of a scheme of arrangement

- RG 111.18 Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Ch 6 takeover bid.
- RG 111.19 When an expert report is required in a scheme of arrangement involving a change of control, the expert is expected to apply the analysis and provide an opinion as to whether the proposal is 'fair and reasonable' as set out in RG 111.10–RG 111.17 as if:
- (a) the 'bidder' was the 'other party'; and
 - (b) the 'target' was the company that is the subject of the proposed scheme.
- RG 111.20 If an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.
- RG 111.21 If an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid using the analysis described in RG 111.10–RG 111.17, it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'. The expert

should clearly say that the consideration is not equal to or greater than the value of the securities the subject of the scheme, but there are sufficient reasons for security holders to vote in favour of the scheme in the absence of a higher offer.

- RG 111.22 If an expert concludes that a scheme proposal is ‘not fair and not reasonable’, then the expert would conclude that the scheme is not in the best interests of the members of the company.
- RG 111.23 When a scheme of arrangement is used to acquire or increase a party’s control, the report should address the interests of members who are bound to give up rights under the scheme. The expert should separately consider the interests of each class of those members under the scheme.

Other control transactions

- RG 111.24 An issue of shares by a company otherwise prohibited under s606 may be approved under item 7 of s611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of s611 that are comparable to takeover bids under Ch 6 include:
- (a) a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged businesses. The vendor could have achieved the same or a similar outcome by launching a scrip takeover for the company; and
 - (b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a scrip takeover bid for the company.
- RG 111.25 If this is the case, an expert should apply the analysis outlined in RG 111.10–RG 111.17—that is, the transaction should be analysed as if it was a takeover bid under Ch 6. However, references to, for example, the ‘bidder’ and the ‘target’ should be taken to mean the ‘allottee’ and ‘company’ respectively.
- RG 111.26 An issue of shares for cash may have other benefits that should be considered in deciding whether the transaction is reasonable. These benefits may include:
- (a) the provision of new capital to exploit business opportunities;
 - (b) a reduction in debt and interest payments; or
 - (c) a needed injection of working capital.
- RG 111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment

or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is ‘reasonable’ if it has assessed the issue price as being ‘not fair’ applying the test in RG 111.11.

- RG 111.28 A transaction otherwise prohibited under s606 for which approval is sought under item 7 of s611 will not always involve the issue of shares. For the analysis of other transactions under item 7 of s611, see RG 111.41–RG 111.46.
- RG 111.29 Similar considerations apply in relation to control transactions by way of a selective capital reduction or selective buy-back under Ch 2J.

Assessing non-cash consideration in control transactions

- RG 111.30 If the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target’s securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares.
- RG 111.31 The comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity’s securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:
- (a) the acquirer is obtaining or increasing control of the target; and
 - (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the ‘bidder’ and the ‘target’. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the ‘bidder’ and the ‘target’.

- RG 111.32 If the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:
- (a) the depth of the market for those securities;
 - (b) the volatility of the market price; and
 - (c) whether or not the market value is likely to represent the value if the takeover bid is successful.

- RG 111.33 For example, trading after a bid is announced may reflect some of the benefits of the combined entity, depending on whether the market has confidence that the transaction will proceed.
- RG 111.34 If, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued assuming a notionally combined entity. However, the expert should still allow for the fact that accepting holders are likely to hold minority interests in that combined entity. The comparison should include the assets and liabilities of the target and the dilution effect of the acquisition on the target's earnings, asset backing and dividends. The expert should also discuss the bases for calculating the dilutions.

Note: Reverse takeovers (either by takeover bid or scheme of arrangement) can raise special issues: see [Regulatory Guide 60 Schemes of arrangement](#) (RG 60) at RG 60.35–RG 60.37.

Demergers and demutualisations

- RG 111.35 Demergers and demutualisations might not involve:
- (a) a change in the underlying economic interests of security holders;
 - (b) a change of control; or
 - (c) selective treatment of different security holders.
- RG 111.36 In the absence of these factors, the issue of 'value' may be of secondary importance (particularly in demutualisations). The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. In some cases, it might still be appropriate to carry out a valuation. In a demerger, the expert may still choose to value the demerged businesses to test whether the value of the sum of the parts (the demerged entities) is greater or less than the whole (the existing entity). If the expert does not undertake such a valuation, to the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the advantages and disadvantages that it considers to be material. For example, the expert may comment on the likelihood of a 'market re-rating' by analysing the post-transaction performance of other demergers.
- RG 111.37 If the demerger or demutualisation involves a scheme of arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should say that the scheme is in the best interests of the members.
- RG 111.38 In a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

- RG 111.39 In a demutualisation, the advantages and disadvantages to be considered might include questions of unlocking value for members and greater management accountability as reasons to demutualise, as compared to the loss of the benefits of being a mutual organisation.
- RG 111.40 An expert might need to consider whether using the form of analysis described at RG 111.10–RG 111.17 is appropriate when demergers and demutualisations involve one or more of:
- (a) a change in the underlying economic interests of security holders;
 - (b) a change of control; or
 - (c) selective treatment of different security holders.

Approval of a sale of securities under item 7 of s611

- RG 111.41 Approval for a sale of securities that would otherwise contravene s606 may be sought under item 7 of s611. Item 7 of s611 envisages that security holders not associated with such a transaction may approve it. In doing so, these security holders may be forgoing:
- (a) the opportunity of receiving a takeover bid; and
 - (b) sharing in any premium for control.
- RG 111.42 The expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares approved under item 7 of s611, the expert should provide an opinion either:
- (a) that the advantages of the proposal outweigh the disadvantages; or
 - (b) that the disadvantages of the proposal outweigh the advantages.
- RG 111.43 A specific issue the expert should determine is whether the vendor is to receive a premium for control.
- RG 111.44 The greater the control premium, the greater the advantages of the transaction to the non-associated holders would need to be to support a finding that the advantages of the proposal outweighed the disadvantages. These other advantages may come, for example, from a better long-term profit outlook as the incoming security holder offers superior management skills.
- RG 111.45 The expert should also inquire whether further transactions are planned between the entity, the vendor or any of their associates. If any are contemplated, the expert should determine whether those transactions would be on an arm's length basis. If not, an implication arises that they may compensate a vendor for a price that is too low.
- RG 111.46 An expert should also consider whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity.

Compulsory acquisitions and buy-outs

- RG 111.47 Chapter 6A prescribes the steps an expert must take in reaching an opinion for compulsory acquisitions and buy-outs. Section 667A(1) requires an expert to:
- (a) provide an opinion on whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities; and
 - (b) set out the reasons for its opinion.
- RG 111.48 To determine what is ‘fair value’, s667C requires that an expert:
- (a) first assess the value of the entity as a whole;
 - (b) then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); and
 - (c) then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class).
- RG 111.49 In determining the fair value for securities, an expert must also take into account the prices paid for securities in that class in the previous six months: s667C(2).
- RG 111.50 The weight of judicial authority is that an expert should not reflect ‘special value’ that might accrue to the acquirer (e.g. *Capricorn Diamonds Investments Pty Ltd v Catto* (2002) 41 ACSR 376 at 431; *Winpar Holdings Ltd v Austrim Nylex Ltd* [2005] VSCA 211 at [11]–[37]; *Teh v Ramsay Centauri* (2002) 42 ACSR 354 at 359). In practice, the issue of ‘special value’ might not be a critical issue. Special value might not be material once it has been allocated pro rata to each security in the class, including the securities of the party seeking to make the compulsory acquisition. An expert should not add any premium for forcible divestment: see *Capricorn* at 432.
- Note: Similar considerations apply as to whether consideration under a capital reduction ‘is fair and reasonable to the company’s shareholders as a whole’: see s256B(1)(a) and *Re Goldfields Kalgoorlie; Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd* (2000) 34 ACSR 737 at [69].
- RG 111.51 Our approach to nominating experts to provide valuations under Ch 6A is set out in [Regulatory Guide 10](#) *Compulsory acquisitions and buyouts* (RG 10) at RG 10.173–RG 10.178.

Related party transactions

- RG 111.52 Experts who are asked to prepare a report for the following transactions should comply with RG 111.53–RG 111.63:
- (a) a transaction with a related party that requires member approval under Ch 2E (including as modified by Pt 5C.7 for registered managed investment schemes); or
 - (b) a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.
- RG 111.53 When analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.
- RG 111.54 Where the related party transaction is one component of a broader transaction or a series of transactions involving non-related parties (such as a control transaction), the expert should carefully consider what level of analysis of the related party aspect is required: see also RG 111.4. In this consideration, the expert should bear in mind whether the report has been sought to ensure that members are provided with sufficient information to decide whether to approve giving a financial benefit to the related party as well as the broader transaction.

‘Fair’ and ‘reasonable’ test

- RG 111.55 Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is ‘fair and reasonable’ from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.
- RG 111.56 Where an expert assesses whether a related party transaction is ‘fair and reasonable’ (whether for the purposes of Ch 2E or ASX Listing Rule 10.1), this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information. See [Regulatory Guide 76 *Related party transactions*](#) (RG 76) at RG 76.105–RG 76.112 for further details.

- RG 111.57 A proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:
- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- Note: This is a separate test to the consideration of relevant factors and circumstances when determining whether the transaction is on ‘arm’s length’ terms for the purposes of s210: see Section C of RG 76.
- (b) for control transactions, on the basis referred to in RG 111.11.
- RG 111.58 Where the proposed transaction consists of an asset acquisition by the entity, it is ‘fair’ if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity’s securities should be compared to the value of the securities it is purchasing. If the expert uses the market price of either of the securities as a measure of their value, it should consider, among other things, the factors set out in RG 111.32(a)–RG 111.32(b).
- RG 111.59 In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transactions.
- RG 111.60 A proposed related party transaction is ‘reasonable’ if it is ‘fair’. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes there are sufficient reasons for members to vote for the proposal.
- RG 111.61 If an expert concludes that a related party transaction is not fair, but reasonable, it should clearly explain the meaning of this opinion, why the expert has reached this conclusion, and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holders’ decision-making): see also RG 111.16–RG 111.17.
- RG 111.62 When deciding whether a proposed transaction is ‘reasonable’, factors that an expert might consider include:
- (a) the financial situation and solvency of the entity, including the factors set out in RG 111.26, if the consideration for the financial benefit is cash;
 - (b) opportunity costs;
 - (c) the alternative options available to the entity and the likelihood of those options occurring;
 - (d) the entity’s bargaining position;

- (e) whether there is selective treatment of any security holder, particularly the related party;
- (f) any special value of the transaction to the purchaser, such as particular technology or the potential to write off outstanding loans from the target; and
- (g) the liquidity of the market in the entity's securities.

RG 111.63 Generally an expert need only conduct one analysis of whether the transaction is 'fair and reasonable', even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g. if item 7 of s611 approval is also required).

Transfer of shares under s444GA

RG 111.64 Section 444GA allows shares of a company in administration to be transferred by an administrator as part of a deed of company arrangement (DOCA). The transfer may only occur if shareholders consent or when the court is satisfied that the transfer would not 'unfairly prejudice' the interests of shareholders.

RG 111.65 Where a transfer under s444GA will result in a person acquiring a relevant interest in voting shares in a company subject to Ch 6 above 20%, relief from s606 must be granted by ASIC.

RG 111.66 ASIC generally requires an expert's report to be prepared for s444GA transactions to assist in determining whether to grant relief from s606. The expert's report is also included as part of an explanatory statement to:

- (a) assist members, creditors, interested persons and ASIC in determining whether to oppose the application for leave of the court under s444GA; and
- (b) provide further evidence to assist the court in its assessment of granting leave under s444GA.

Note: [Regulatory Guide 6 Takeovers: Exceptions to the general prohibition](#) (RG 6) at RG 6.202(b) provides more information on the requirements for the explanatory statement.

RG 111.67 In exceptional circumstances, where a company clearly holds assets of negligible value and/or has no business, there may be limited benefit in providing an expert's report. In these circumstances, you should approach ASIC early in the process to discuss whether or not an expert's report is required.

RG 111.68 Provided the requirements in RG 6.202(b) are met, ASIC will generally grant relief from s606 where the expert's report concludes that shareholders' equity has no residual value. This aligns with the position of the courts when

considering whether unfair prejudice exists. The courts consider that the possibility of prejudice to a shareholder only arises if there is some residual equity in the company: see Martin CJ in *Weaver v Noble Resources Ltd* [2010] WASC 182 and White J in *Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement)* [2014] FCA 53.

RG 111.69 Experts who are asked to prepare a report for share transfers using s444GA should generally comply with RG 111.70–RG 111.80.

Form and content of report

RG 111.70 An expert’s report should provide an independent opinion of the value, if any, of shareholders’ residual equity. The expert is not required to form a view on the ‘fairness’ or ‘reasonableness’ of the transaction.

RG 111.71 Shareholders’ residual equity should be derived by assessing the value of the company’s assets and/or business operations, less borrowings, other liabilities and creditors’ claims.

RG 111.72 The value of shareholders’ residual equity should be assessed on the basis that the company is in administration.

RG 111.73 Consistent with the approach of the courts, an expert should generally value shareholders’ residual equity in a company under administration on a ‘winding up’ or ‘liquidation’ basis where that is the likely or necessary consequence of the transfer of shares not being approved: see *Re Mirabela Nickel Ltd (subject to deed of company arrangement)* [2014] NSWSC 836 at [42]; *Re Nexus Energy Limited* (2014) 105 ACSR 246 at 254 [24].

RG 111.74 Experts should:

- (a) value any underlying assets, and where necessary business(es), using the guidance in Part C, including crosschecks;
- (b) consider valuation evidence provided by the sales process conducted by the administrator (if any) as well as the value (if any) of potential recoveries for voidable transactions; and
- (c) seek specialist technical assistance, where relevant, consistent with the requirements in Section E of [Regulatory Guide 112 Independence of experts](#) (RG 112).

RG 111.75 The selection of the appropriate approach and methods to value company assets and/or businesses will depend on the facts and circumstances involved, available data and the professional judgement of the expert. The rationale for the selection of the approach and method used should be fully disclosed in the report.

Asset and business valuations

- RG 111.76 We expect in many cases that it will be clear from the administration process whether the company under administration holds a business (or businesses) capable of sale or, rather, a series of assets that, but for the proposed DOCA, would otherwise be sold on a piecemeal basis to realise value (if any).
- RG 111.77 Where a company under administration holds assets that form a business, the expert should generally base the assessment on the higher of;
- (a) the sum of liquidation value of the underlying business assets; and
 - (b) the value of the business as a whole.
- RG 111.78 A business will likely be subject to various constraints associated with the company being under administration. These may affect the expected performance of the business directly and/or perceptions of business risk to potential acquirers. These should be considered by the expert in deriving the expected sale value of the business and should be disclosed in the report.
- RG 111.79 Any assets that do not form part of the business may be valued assuming liquidation value. Liquidation value is defined by the International Valuation Standard 104: *Bases of Value* (effective 31 January 2020) at paragraph 80.1 as:
- the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:
 - (a) an orderly transaction with a typical marketing period, or
 - (b) a forced transaction with a shortened marketing period.
- RG 111.80 Valuations of residual company assets should generally be determined using the premise of, ‘... an orderly transaction with a typical marketing period’. The marketing period assumption should be disclosed by the expert.

C Methodologies and assumptions

Key points

An expert should:

- if possible use more than one valuation methodology and compare the values derived from using different methodologies to minimise the risk that the opinion is unreliable; and
- justify its choice of methodologies and describe the methods used: see RG 111.81–RG 111.90.

An expert's opinion should be based on reasonable assumptions and all material assumptions should be disclosed: see RG 111.91–RG 111.94.

An expert should usually give a range of values and that range should be as narrow as possible: see RG 111.95–RG 111.96.

An expert might need to value individual assets in certain circumstances: see RG 111.97–RG 111.100.

Choice of methodology

RG 111.81 An expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies: *Re Matine* (1998) 28 ACSR 268 at 290–291. An inappropriate choice might be misleading: *Re EPHS Ltd* [2002] ATP 12. It might also lead to liability because the expert did not take sufficient care and skill in the preparation of the report: *Duke Group Ltd v Pilmer* (1999) 31 ACSR 213.

RG 111.82 We consider that an expert should, when possible, use more than one valuation methodology. We consider that this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using the different methodologies and comment on any differences. Further, if the expert's valuation of a company's securities differs materially from the price of the company's securities in the period leading up to the announcement of the proposed transaction (together with a typical premium for control for such a transaction), the expert should comment on this difference and the factors underlying it. The expert should also comment if its valuation is less than the price of the company's securities in the period leading up to the announcement of the transaction.

Note: The expert should also consider whether the price of the company's securities is an appropriate valuation methodology: see RG 111.86(d).

- RG 111.83 However, we will not prescribe the valuation methodologies that an expert should use in preparing its report since an expert should exercise its own skill and judgment to choose methodologies that are appropriate in the circumstances of the entity or the asset being valued.
- RG 111.84 An expert should justify its choice of methodology or methodologies (including when the expert has used only one methodology, the basis for doing so) and describe the method or methods used in the report. We consider that an expert report that does this allows security holders to better understand the expert report and determine the weight to be attached to the report. It also allows another expert, professional adviser or institutional investor to replicate the expert's work and assess the valuation.
- RG 111.85 An expert should discuss how much weight is being placed on each methodology used in the valuation. For instance, one methodology may be identified as the primary methodology whereas another is used to provide a cross-check to the valuation.
- RG 111.86 It is generally appropriate for an expert to consider using the following methodologies:
- (a) the discounted cash flow method (see also RG 111.112–RG 111.118) and the estimated realisable value of any surplus assets;
 - (b) the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
 - (c) the amount that would be available for distribution to security holders on an orderly realisation of assets;
 - (d) the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale; and
 - (e) any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.
- Note: Some valuation methodologies include a premium for control while others do not. An expert needs to ensure that the choice of methodology or methodologies is appropriate for the circumstances of the transaction.
- RG 111.87 The amount an alternative bidder might be willing to offer if all the securities in the target were available for purchase may provide a useful framework for the application of methodologies (e.g. in selecting earnings multiples) and in underpinning any overall judgment as to value.

- RG 111.88 An expert should not take into account highly speculative alternative proposals which are so unformulated that no sensible value could be placed on them.
- RG 111.89 If an entity has recently conducted a sale process without success or has been ‘in play’ for some period without an alternative bid emerging, it may be possible to comment that no alternative acquirer appears likely to offer a higher price.

Option valuations

- RG 111.90 The most commonly used methodologies for valuing unlisted or thinly traded options are the Binomial Model and the Black–Scholes Model. In selecting an approach, an expert should assess whether the assumptions used in the methodology are appropriate for the options being valued.

Assumptions

- RG 111.91 An expert’s opinion should be based on reasonable assumptions. This reduces the risk that the report will be misleading: s670A(2); s12DA of the *Australian Securities and Investments Commission Act 2001* (ASIC Act); *MGICA (1992) Ltd v Kenny & Good Pty Ltd* (1996) 140 ALR 313 at 356; *RAIA Insurance Brokers v FAI General Insurance Co Ltd* (1993) 112 ALR 511 at 522.
- RG 111.92 An expert should disclose all material assumptions on which its report is based. This allows security holders to assess the reasonableness of the report and its main uncertainties: *Re BNQ Sugar Pty Ltd and Others* (1994) 12 ACSR 695 at 702; *GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd* (1998) 29 ACSR 584 at 621–622.
- RG 111.93 The material assumptions disclosed should be specific and definite. All-embracing assumptions of no specific relevance to the entity being valued should not be included (e.g. the continued absence of war or the non-occurrence of natural disasters). However, assumptions concerning specific future economic conditions (such as assumed interest rates, exchange rates and commodity prices) and the assessment of their impact on the report should be disclosed.
- RG 111.94 If changes in material assumptions are likely to materially impact on a report’s valuation (e.g. changes in the exchange rate or interest rate assumptions), an expert should consider including a sensitivity analysis which sets out the impact of such changes.

Note: See [Regulatory Guide 170](#) *Prospective financial information* (RG 170) at RG 170.65–RG 170.66.

Value ranges

- RG 111.95 An expert should usually give a range of values. The value of securities is typically subject to uncertainty and volatility. Placing a precise dollar value on them is likely to imply a misleading accuracy to a valuation.
- RG 111.96 Nevertheless, the range of values should be as narrow as possible. If an expert cannot give a narrow range because of uncertainty (e.g. start-up companies), the expert should prominently explain in its report what factors create this uncertainty and how the expert is able to justify its findings despite the uncertainty. In our view, a broad range of values undermines the usefulness of the report.

Valuing assets

- RG 111.97 An expert might need to value individual assets in undertaking the analysis required to prepare its report, for example, if the assets are considered 'surplus' to other business activities being valued. In valuing individual assets, an expert may need to quantify and discuss any material differences between its valuation and the market value of the asset used for accounting purposes.
- RG 111.98 An expert may also need to assess the carrying value of an entity's assets if the primary valuation methodology it has employed results in a value that is less than the entity's reported net assets (after allowing for reasonable realisation costs).
- RG 111.99 In such circumstances, the expert should ensure that it has the expertise to value the assets (e.g. to value real property or exploration mining tenements) or retain a specialist to do so.
- RG 111.100 Real property assets that are planned or are in the process of development should be valued on the basis of their current market value rather than on an 'as complete' basis.

D Other key requirements

Key points

An expert report should help security holders make their decision by clearly disclosing key information: see RG 111.101–RG 111.106.

An expert's opinion should be based on reasonable grounds. These grounds should be discussed in the report: see RG 111.107–RG 111.118.

An expert might need to act on changes in circumstances after issuing its report: see RG 111.119–RG 111.121.

Particular considerations apply to the inclusion of certain information (e.g. disclaimers): see RG 111.122–RG 111.133.

An expert should have the relevant expertise to prepare the expert report: see RG 111.134–RG 111.139.

An expert should maintain adequate records of the work undertaken to prepare the expert report: see RG 111.140–RG 111.144.

Clear, concise and effective communication

RG 111.101 An expert report should help security holders make their decision. The report should:

- (a) address the varying information needs of a report's audience;
- (b) clearly explain the meaning of the expert's opinion and the significance of that opinion to the decision to be made by security holders;
- (c) highlight key information;
- (d) be easy to navigate and understand (e.g. through including an up-front summary of the expert's opinion and the reasons for the opinion, the use of content tables, signposting, cross-references, numbered sections, sub-sections and the avoidance of jargon); and
- (e) be as brief as possible.

RG 111.102 An expert report should only contain information that relates directly to the decision to be made by security holders. Including extraneous information in an expert report undermines the effectiveness of that report. Santow J dealt with this issue in *Re Australian Co-operative Foods Ltd* (2001) 38 ACSR 71 at 77 in the following terms:

Experts are responsible for what they say in their reports. They must ensure that their reports deal adequately with the kind of concerns that could reasonably be anticipated from those affected by the scheme, in reporting

on whether the relevant scheme proposal is fair and reasonable from their viewpoint ... This is so those members can then make an informed decision with the benefit of a report that is as simple, clear and useful as possible. A plethora of peripheral information is more likely to distract than illuminate.

- RG 111.103 For example, an analysis of the industry in which the company (i.e. the subject of the opinion) operates might be useful. However, copying material out of an industry research database may merely add to the length of reports. An expert should include an analysis of the material and relate the material directly to its opinion.

Technical terms

- RG 111.104 Technical terms should be avoided when possible. If the expert uses technical terms, it should use them consistently in a report and consistently with the way they are used in the relevant industry. When appropriate, the expert should provide a glossary, especially when the definition or interpretation of specific terms is central to its report.

Concise or short form expert report

- RG 111.105 We encourage an expert to consider preparing a concise or short form expert report. The commissioning party would make a longer expert report containing additional, more technical or detailed information available on request free of charge or ensure it is accessible online. This reflects a developing market practice.

Note: See RG 60.84 for information about the use of concise expert reports in schemes of arrangement.

- RG 111.106 The concise report would still need to contain sufficient information to help security holders make their decision. The concise report should include the information that we emphasise in the rest of this guide and in RG 112 (e.g. material assumptions). If the longer report contained any 'surprises' for the security holder who only read the concise report, this would indicate the concise report was inadequate or misleading. Table 2 contains examples of types of information that an expert might consider including and leaving out of the concise report. Determining what information to include in the concise report and what to leave out is a matter for the expert's professional judgment in the particular circumstances of the report. However, we are happy to work with experts on these issues.

Table 2: Examples of information that an expert might consider putting in and leaving out of a concise expert report

Include in the concise expert report	<ul style="list-style-type: none"> • Expert's conclusion • Meaning of conclusion and significance for the decision to be made • Summary of reasons for conclusion • Summary of valuation including: <ul style="list-style-type: none"> – methodologies used; – material assumptions; and – a justification of these • Financial Services Guide
Leave out of the concise expert report	<ul style="list-style-type: none"> • Industry overview • Disclaimers • Detailed financial information • Detailed profile of parties to the transaction • Qualifications, declarations (e.g. indemnities) and consents • Detailed share price analysis • Details of capital structure (e.g. shareholder spread and directors' relevant interests if not linked to the expert's analysis) • List of previous ASX announcements • List of sources of information

Statements should be supportable

Reasonable grounds

- RG 111.107 An expert's opinion should be based on reasonable grounds. These grounds should be set out in the report.
- RG 111.108 We consider that setting out the reasons for the opinion will assist security holders to understand the expert's opinion, to assess the weight to attach to that opinion and to evaluate the validity of the expert's conclusions: s636(2); 640(1); 667A(1)(c); Sch 8, cl 8303 of the Corporations Regulations and *Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705 at 729 and following. Further, security holders cannot make an informed decision without the benefit of 'sufficient supporting information': *Australian Co-operative Foods* at 77.

Review of information

- RG 111.109 We expect an expert to:
- (a) critically evaluate the information provided to it; and
 - (b) take note of any grounds held for questioning the truth, accuracy and completeness of the information.

- RG 111.110 An expert should conduct such critical analysis of the information on which it relied to prepare the report as is reasonable in the circumstances and as the law requires: *Australian Co-operative Foods* at 77. The more material the information is to the conclusions reached by the expert, the greater the responsibility on the expert to be satisfied that the information is not materially inaccurate. If there are indications suggesting that the information in question may not be reasonably relied on, then the expert should make additional enquiries. We do not expect an expert to conduct an audit of the subject matter of the report.
- RG 111.111 For example, the expert must review directors' valuations and management accounts, partly to detect changes in the way those valuations and accounts have been prepared from period to period: see RG 111.113. If there are no indications of irregularities or omissions, an expert will ordinarily be entitled to take at face value valuations previously prepared by outside experts, audited financial statements and the accounting records of the company. An expert may also rely on management accounts if it has established reasonable grounds: see RG 111.113.

Forward-looking information and use of the discounted cash flow methodology

- RG 111.112 An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Otherwise the opinion will be misleading under s670A(2) of the Corporations Act or s12DA of the ASIC Act.
- RG 111.113 An expert should make sufficient inquiries to satisfy itself that forward-looking information on which it has relied was prepared on a reasonable basis. It is important that those producing such information to the expert have used methods of analysis and presentations previously used by the company (unless there is a sound reason to use a different approach), and have not used new systems or approaches which favour their objectives. If there are any material variations in method or presentation, the expert should adjust for or comment on them in the report.
- RG 111.114 RG 170 gives detailed guidance on what we consider is a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Chs 6D and 7, it provides useful guidance for inclusion of prospective financial information in expert reports. We also consider that RG 170 provides useful guidance for inclusion of forward-looking information that does not fall within the definition of 'prospective financial information'.

- RG 111.115 However, we recognise that using the discounted cash flow (DCF) methodology will involve the use of forward-looking information and assumptions over a longer period than the two-year period in RG 170: see RG 170.39–RG 170.41. As long as the focus of the disclosure in the expert report is on the valuation rather than forward-looking information that supports it, the expert does not need to commission an independent accountant report for the DCF methodology: see RG 170.41. However, the expert should undertake a critical analysis of the forward-looking information used in applying the DCF methodology to ensure it is based on reasonable grounds.
- RG 111.116 ASIC recognises that there may be a reasonable basis for the use of DCF methodologies before a project generates cash flows as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used.
- RG 111.117 When an expert includes forward-looking information in its report, the report should include all information that may be required for users of the report to assess the reasonableness of the methodology and assumptions used, including:
- (a) the nature of the information, its limitations and the reason for its inclusion in the report;
 - (b) the material inputs and assumptions used and the reason for using those assumptions;
 - (c) if applicable, the discount rate selected and rationale;
 - (d) the extent and nature of the adjustments made to the DCF (if any) to allow for the development stage risks attaching to these cash flows (whether through risk weighting cash flows, adjustments to discount rates or other methods);
 - (e) the extent of inquiries and research undertaken by the expert and the compiler of that information;
 - (f) the technical and financial qualifications of the expert and the compiler in relation to the relevant industry and asset; and
 - (g) the specific period to which the information relates and the reason for the use of that period.
- RG 111.118 Full disclosure of the types of matters raised in RG 111.117 and any other risk disclosure, warnings or cautionary language does not affect the requirement for forward-looking information to be based on reasonable grounds. It will also not prevent particular information from being misleading.

Changes in circumstances

- RG 111.119 An expert who has delivered its report to the commissioning party should notify that party as soon as possible if the expert becomes aware of a significant change affecting the information in its report or if the expert believes that a material statement in the report is misleading or deceptive. The commissioning party should also notify the expert if that party becomes aware of a significant change affecting the information in the expert report prior to a meeting being held or during the offer period.
- RG 111.120 When a material change in circumstances has arisen since a report was prepared, a failure by the expert to provide a supplementary report to its client may constitute misleading or deceptive conduct. Security holders will rely on an expert report when making their decision, not when they first receive the report: *ASIC v Solution 6 Holdings Ltd* (1999) 30 ACSR 605 at 611. If an expert becomes aware of a material change in circumstances, then depending on the circumstances, it may be appropriate for a commissioning party to send a supplementary report, even if security holders would receive the report:
- (a) shortly before a meeting is held; or
 - (b) towards the end of an offer period.

See *Troy Resources NL v Taipan Resources NL* (2000) 36 ACSR 197.

Note: Commissioning parties should consider what period is appropriate for security holders to have to consider any supplementary information: see also RG 60.92–RG 60.93.

- RG 111.121 Changes affecting valuations in reports are more likely to trigger the supplementary report obligation than tactical events in the progress of transactions, for example, the level of acceptances in a bid.

Inclusion of other information

Confidential information

- RG 111.122 While an expert should not omit material information from its report merely because it is confidential, the expert may be able to adequately support an opinion by careful disclosure without revealing confidential information.

Disclaimers

- RG 111.123 The purpose of an expert report is to give security holders an assessment on which they can rely. A disclaimer defeats this purpose.
- RG 111.124 An expert cannot limit its statutory liability for the report through disclaimers (e.g. that the expert will not be liable for any loss incurred through reliance on its report). An expert report that purports to exclude the expert from liability may be misleading.

- RG 111.125 An expert should consider refusing to give a report when it has not been given:
- (a) sufficient information or unimpeded access to an entity's records; or
 - (b) enough time to prepare the report.
- RG 111.126 When an expert decides that its report will assist security holders despite limitations that the expert cannot resolve (e.g. because the expert does not have time to investigate the reliability of certain information), the expert should prominently explain the nature of the uncertainties and the impact on its opinion so that security holders can assess what weight to attach to the opinion.
- RG 111.127 When an expert is retained to provide a report on a limited matter, the expert may disclaim responsibility for matters outside the scope of its retainer.

Indemnities

- RG 111.128 An expert may take an indemnity from the commissioning party (or any other person) under which it is to be compensated for certain liability. An acceptable indemnity would cover liability that arises because:
- (a) the expert relied on information provided by the person; or
 - (b) the person did not provide the expert with material information.
- RG 111.129 Such an indemnity will not diminish the liability of an expert to security holders. Nor will it reduce the expert's responsibility to ensure that it has reasonable grounds for its opinion and that the report is not misleading or deceptive.
- RG 111.130 An expert report that implies that an indemnity relieves the expert from liability to security holders is potentially misleading. ASIC expects reports to explain the effect of any indemnity.

Additional disclosures

- RG 111.131 Security holders will generally expect that an expert report will have been prepared on the following basis:
- (a) the expert has made all the inquiries that it believes are desirable and appropriate in order to prepare the report; and
 - (b) the report has not omitted any matter that the expert regards as material to security holders' assessment of the expert's conclusions.

Note: To the extent that there are any normally applicable standards and guidelines for valuing a particular class of assets (e.g. the Valmin Code for valuations involving mineral and hydrocarbon assets), security holders will generally expect that these have been complied with. The report should disclose if that is not the case as that will be a matter that is relevant to security holders' assessment of the expert's conclusions.

- RG 111.132 If an expert report has not been prepared on this basis, the report should prominently explain why this is the case and the impact of this on the report. If the report is unable to be prepared on such a basis, the expert may need to consider refusing to give the report: see RG 111.125–RG 111.126.
- RG 111.133 An expert should also disclose to security holders, to the extent necessary to help them assess what weight to give to reports:
- (a) the source of material used in the reports;
 - (b) the inquiries made by the expert;
 - (c) any unacceptable or unusual time constraints the expert worked under;
 - (d) whether the expert is dissatisfied with the quality of the information used for the report; and
 - (e) whether any concerned party to the relevant transaction has refused to provide adequate:
 - (i) access to information; or
 - (ii) explanations;

if the information or the explanations might have impacted on the report's conclusions.

Expertise

- RG 111.134 ASIC expects an expert preparing an expert report to be, in fact, an expert in the relevant field. Section 9 defines an expert as 'a person whose profession or reputation gives authority to a statement made by him or her'. To this end, we expect an expert and the commissioning party to ensure that:
- (a) the expert's profession or reputation is relevant to the matters upon which the expert is to report;
 - (b) the expert holds the licences or authorities necessary for providing the type of advice sought; and
 - (c) the expert states in the report its qualifications and experience or, if the report is made by a corporation or firm, the qualifications and experience of the individuals responsible for preparing the report.
- RG 111.135 Gyles J observed in *Reiffel v ACN 075 839 266 Ltd* (2003) 45 ACSR 67 at 87:
- It is implicit ... that such an expert will exercise the care, skill and judgment appropriate to the relevant field of expertise in forming and expressing the opinion.
- RG 111.136 For technical matters beyond the expert's expertise, an expert should retain a specialist to advise them (e.g. a geologist to provide an opinion on recoverable ore the subject of mining tenements, or a traffic forecast report in relation to a toll road): see RG 112.67–RG 112.70.

- RG 111.137 An expert should ensure that staff preparing and supervising the preparation of the report have sufficient skill, knowledge and experience to perform the expert's role.
- RG 111.138 Expert reports typically constitute the giving of financial product advice so an expert must hold an Australian financial services (AFS) licence. An AFS licensee should have sufficient human and technological resources to provide the services specified in its licences and should ensure its staff are adequately trained and competent to provide those services: s912A(1).
- Note: ASIC has taken action against an expert when the expert lacked the expertise to complete the task, failed to comply with the law and did not meet standards of good practice.
- RG 111.139 Detailed guidance on how we consider these licence obligations can be met are contained in [Regulatory Guide 104](#) *AFS licensing: Meeting the general obligations* (RG 104), [Regulatory Guide 105](#) *AFS licensing: Organisational competence* (RG 105) and [Regulatory Guide 146](#) *Licensing: Training of financial product advisers* (RG 146).

Working papers

- RG 111.140 In preparing an expert report, an expert should document its work and maintain adequate working papers that record the basis of the report. The expert should be able to readily draw on its working papers to demonstrate that its opinion is reasonably based.
- Note: Much of the expert's analysis will be described in the report. The requirement to document and maintain adequate working papers does not detract from the obligations of an expert with respect to the contents of an expert report.
- RG 111.141 Maintaining adequate working papers is an important aspect of an expert's quality control and review process. In our view, the duties imposed by the Corporations Act on AFS licensees require licensees to keep adequate records about their financial services business: see [Regulatory Guide 175](#) *Licensing: Financial product advisers—Conduct and disclosure* (RG 175) at RG 175.97 and RG 175.145.
- RG 111.142 Maintaining adequate working papers will also assist the expert in demonstrating compliance with its legal obligations (including the obligations described in this guide and RG 112 and its obligations as an AFS licensee) and its internal procedures and processes.
- RG 111.143 Working papers should be compiled so that someone with no prior involvement with the transaction can review them and understand the major issues. They should include, for example:
- (a) documents supporting the expert's choice of methodology;
 - (b) documents supporting significant assumptions underpinning the expert's opinion;

- (c) factual information relied on, or used by, the expert in preparing the report and material documenting the inquiries made by the expert in relation to that information;
- (d) analysis of any financial models that the expert has relied on. Where the expert has relied on a financial model, the expert should undertake a review of the model and document its analysis, including which aspects of the model have been reviewed by the expert and the extent of the review. We do not expect an expert to conduct an audit of the model; and
- (e) file notes of discussions and correspondence between the expert and the commissioning party: see RG 112.47.

RG 111.144 All records relevant to the preparation of an expert report may be subject to review by ASIC. Even where we do not have any particular concerns about an expert report, we may review the report, the working papers and the independence of the expert as part of our regular review of the independent expert sector.

E Regulatory action

Key points

We will consider regulatory action if we consider there are material issues with the content of an expert report or have concerns about the independence of an expert.

- RG 111.145 We will consider regulatory action if we consider that there are material issues with the content of the report (e.g. as to the adequacy and the completeness of the expert's analysis) or if we have concerns about the independence of an expert.
- RG 111.146 We might write to the expert or the commissioning party or both to raise concerns or request changes to an expert report. However, when delay might prejudice the interests of security holders or the market, we might take enforcement action without consulting the expert or the commissioning party.
- RG 111.147 The action we might take could be one or more of the following:
- (a) in a takeover bid, an application to the Takeovers Panel for a declaration of unacceptable circumstances;
 - (b) in a scheme of arrangement, opposition to the scheme at a court hearing;
 - (c) action for contravention of misleading or deceptive conduct provisions;
 - (d) action by us to revoke, suspend the expert's licence or add a condition after a hearing: s915C; or
 - (e) action by us to cease or suspend nominating the expert to prepare reports in compulsory acquisitions: s667AA and RG 10.173.

Key terms

Term	Meaning in this document
administrator	Has the meaning given in s9 of the Corporations Act Note: The definition in s9 includes both deed administrators and voluntary administrators.
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASX	Australian Securities Exchange Limited
bidder	Has the meaning given in s9 of the Corporations Act
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
DOCA	A deed of company arrangement
DOCA proposal	A proposed DOCA or proposed variation of a DOCA
DOCA proponent	A person who advocates for the DOCA proposal
expert	Has the meaning given in s9 of the Corporations Act
prospective financial information	Financial information of a predictive character based on assumptions about events that may occur in the future and on possible actions by an entity
related party	Has the meaning given in s228 of the Corporations Act
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 175 (for example)	An ASIC regulatory guide (in this example numbered 175)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

Term	Meaning in this document
scheme of arrangement	A scheme of arrangement conducted under Pt 5.1
securities	Has the meaning given in s9 of the Corporations Act
security holder	The holder of interests or securities
target	Has the meaning given in s9 of the Corporations Act
Valmin Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports

Related information

Headnotes

experts, expert report, analysis of control transactions, substance of transaction not legal mechanism used, assumptions, methodology, valuing assets, clear communication, incorporation by reference, supportable statements, prospective financial information, disclaimers, indemnities, expertise, related party transactions

Regulatory guides

[RG 6](#) *Takeovers: Exceptions to the general prohibition*

[RG 9](#) *Takeover bids*

[RG 10](#) *Compulsory acquisitions and buyouts*

[RG 60](#) *Schemes of arrangement*

[RG 74](#) *Acquisitions agreed to by shareholders*

[RG 76](#) *Related party transactions*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 110](#) *Share buy-backs*

[RG 112](#) *Independence of experts*

[RG 146](#) *Licensing: Training of financial product advisers*

[RG 170](#) *Prospective financial information*

[RG 175](#) *Licensing: Financial product advisers—Conduct and disclosure*

Legislation

ASIC Act, s12DA

Corporations Act, Chs 2E, 2J, 6 and 7; Pt 5.3A; s9, 210, 218, 219, 220, 221, 256C(4), 444GA, 606, item 7(b) of 611, 636(1)(g), 636(1)(h)(iii), 636(2), 640, 663B, 664C, 665B, 667A, 667C, 670A(2), 766B(3), 766(4), 912A(1) and Sch 4, cl 29(4)

Corporations Regulations, reg 5.1.01, Sch 8, cls 8303 and 8306

Cases

ASIC v Solution 6 Holdings Ltd (1999) 30 ACSR 605

Re Australian Co-operative Foods Ltd (2001) 38 ACSR 71

Re BNQ Sugar Pty Ltd and Others (1994) 12 ACSR 695

Capricorn Diamonds Investments Pty Ltd v Catto (2002) 41 ACSR 376

Duke Group v Pilmer (1999) 31 ACSR 213

Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement) [2014] FCA 53

Re EPHS Ltd [2002] ATP 12

Re Goldfields Kalgoorlie; Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd (2000) 34 ACSR 737

Re Mirabela Nickel Ltd (subject to a Deed of Company Arrangement) [2014] NSWSC 836

Re Nexus Energy Limited (2014) 105 ACSR 246

GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd (1998) 29 ACSR 584

Makita (Australia) Pty Ltd v Sprowles (2001) 52 NSWLR 705

Re Matine (1998) 28 ACSR 268

MGICA (1992) Ltd v Kenny & Good Pty Ltd (1996) 140 ALR 313

Northern Energy Corporation Limited [2011] ATP 2

RAIA Insurance Brokers v FAI General Insurance Co Ltd (1993) 112 ALR 511

Reiffel v ACN 075 839 266 Ltd (2003) 45 ACSR 67

Teh v Ramsay Centauri (2002) 42 ACSR 354

Troy Resources NL v Taipan Resources NL (2000) 36 ACSR 197

Weaver v Noble Resources Ltd [2010] WASC 182

Winpar Holdings Ltd v Austrim Nylex Ltd [2005] VSCA 211

Consultation papers and reports

[CP 62](#) *Better experts' reports*

[CP 142](#) *Related party transactions*

[CP 143](#) *Expert reports and independence of experts: Updates to RG 111 and RG 112*

[CP 326](#) *Chapter 6 relief for share transfers using s444GA of the Corporations Act*

[REP 233](#) *Response to submissions on CP 142 Related party transactions*

[REP 234](#) *Response to submissions on CP 143 Expert reports and independence of experts*

[REP 670](#) *Response to submissions on CP 326 Chapter 6 relief for share transfers using s444GA of the Corporations Act*

Miscellaneous

ASX Listing Rule 10

International Valuation Standard 104: Bases of Value (effective 31 January 2020)



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 112

Independence of experts

March 2011

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties.

Note: An interested party is a person with an interest in the outcome of the transaction different from the interest of the general body of security holders.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued on 30 March 2011 and is based on legislation and regulations as at 30 March 2011. The reference to the relief instrument in RG 112.37 was updated in August 2015 because this instrument was reviewed as part of the sunseting of legislative instruments under the *Legislative Instruments Act 2003*.

Previous versions:

- Superseded Regulatory Guide 112, issued 30 October 2007

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

This guide gives ASIC's view on:

- the need for an expert to be independent (see Section B);
- how previous and existing relationships with commissioning and other interested parties may affect the independence of an expert (see Section C);
- how an expert should deal with the commissioning party and other interested parties to maintain its independence (see Section D); and
- when and how an expert should use a specialist when preparing an expert report (see Section E).

Reports covered by this guide

- RG 112.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the *Corporations Act 2001* (Corporations Act), whether the reports are required in the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports (see Section E) for inclusion in Ch 6D disclosure documents and Ch 7 Product Disclosure Statements (PDSs).
- RG 112.2 We consider that security holders regard an expert report as being prepared by an independent expert irrespective of whether the report has been prepared voluntarily or because it is required under statute.
- RG 112.3 This approach is consistent with the obligations on the holder of an Australian financial services licence (AFS licensee) to manage conflicts of interest. An AFS licensee's obligation to manage conflicts of interest applies to all of its activities as an AFS licensee and, as such, an expert who holds an AFS licence needs to manage conflicts of interest in respect of all expert reports it prepares.
- RG 112.4 This guide does not apply to independent or investigating accountant reports.

Underlying principles

- RG 112.5 An expert report that is biased frustrates rather than assists informed decision-making. Security holders will assume that an expert report is an independent opinion and will be misled if the opinion is not.

RG 112.6 Brooking J described the role of an expert in *Phosphate Co-operative v Shears (No 3)* (1988) 14 ACLR 323 (*Pivot*) at 339 in the following terms:

Those who prepare experts' reports in company cases carry a heavy moral responsibility, whatever their legal duties may be. These reports are either required by the [Corporations Act] or provided by way of analogy with those requirements. In either case, they are supposed to be for the protection of individuals who are being invited to enter into some kind of transaction. Unless high [independence] standards are observed by those who prepare these reports, there is a danger that systems established for the protection of the investing public will, in fact, operate to their detriment through reliance on these reports and on the reputations of those who furnish them. In lending his name, the expert will often, as in this case, be lending a name to conjure with ... The expert's integrity and freedom from baneful influences are essential.

RG 112.7 The Corporations Act indicates the need for an expert to be independent:

- (a) an expert must not be associated with certain interested parties, and must disclose certain interests and relationships, when preparing reports required by the Corporations Act for:
 - (i) a takeover bid under Ch 6 (s648A);
 - (ii) a scheme of arrangement (reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations)); and
 - (iii) a compulsory acquisition or buy-out under Ch 6A (s667B); and
- (b) as an AFS licensee, an expert needs to establish and maintain systems to comply with its obligations to manage conflicts of interest.

B Expert needs to be independent

Key points

An expert should be, and should appear to be, independent: see RG 112.8–RG 112.15.

An expert should give an opinion that is genuinely its own opinion: see RG 112.16–RG 112.20.

Independence

RG 112.8 The Corporations Act contains indicators that an expert must be, and must appear to be, independent in the provisions requiring an expert report for certain takeover bids, schemes of arrangement, for any compulsory acquisition and in the AFS licensee conflicts management provisions.

RG 112.9 The need for an expert to be, and to appear to be, independent is also indicated in case law establishing that the independence of an expert is critical for the protection of security holders. Mullighan J observed in *Duke Group v Pilmer* (1998) 27 ACSR 1 at 268:

It may be seen that a true state of independence on the part of the expert is crucial to the efficacy of the [takeover] process and for the protection of the public generally and the company and its members in particular.

RG 112.10 We will consider regulatory action if we have concerns about the independence of an expert: see Regulatory Guide 111 *Content of expert reports* (RG 111) at RG 111.128–RG 111.130.

Note: In addition to the term ‘independence’, language also used by the courts, our policies and commentators include: ‘impartial judgment’; ‘disinterested’; ‘objective’; ‘unbiased’; ‘genuine expression of opinion’; ‘integrity’ and, negatively: ‘conflict of interest’; ‘compromised’; ‘collusion’ and ‘acting in a partisan capacity’.

AFS licensee obligations to manage conflicts

RG 112.11 An expert report typically includes a statement of opinion or recommendation intended to influence investors in making a decision on a financial product: s766B(1). This means the expert report usually constitutes financial product advice, triggering the need for an AFS licence: s766A and 911A(1). Accordingly, in most cases, an expert who prepares an independent expert report that will be made available to retail investors will hold an AFS licence.

RG 112.12 Under s912A(1)(aa), an AFS licensee must:

have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities

undertaken ... in the provision of financial services as part of the financial services business of the licensee or the representative ...

- RG 112.13 This conflicts management obligation applies irrespective of:
- (a) whether the expert states that it is independent of the commissioning party;
 - (b) any requirement that the expert not be an associate of the commissioning party or any other interested party to a transaction (e.g. s648A); or
 - (c) whether the expert report has been prepared to meet a statutory obligation.
- RG 112.14 Whether an expert's conflicts management arrangements (i.e. measures, processes and procedures) are adequate will depend on the nature, scale and complexity of the expert's business and the circumstances of the expert's engagement. The expert should document its conflicts management policies and procedures. The expert should keep records demonstrating how it has complied with those procedures. General guidance on these obligations is provided in Regulatory Guide 181 *Licensing: Managing conflicts of interest* (RG 181) at RG 181.10–RG 181.11.
- RG 112.15 Expert reports are exempt from the licensing regime (reg 7.6.01(u)) when the advice is an opinion on matters other than financial products (e.g. a geologist report) and:
- (a) it does not include advice on a financial product;
 - (b) the document includes a statement that the person is not operating under an AFS licence when giving the advice; and
 - (c) the expert discloses remuneration, interests and relationships.

Genuine opinion

- RG 112.16 The courts have required the opinion of an expert to be genuine and a product of the expert's professional judgment. An expert's opinion that is tailored to support the views of the commissioning party or any other interested party is not a genuine opinion. It may also be misleading or deceptive.
- RG 112.17 A court found that a commissioning party's active role in shaping an expert report meant that the expert report was not the product of 'an exercise of judgment' by the expert 'uninfluenced by pressure brought to bear by or on behalf of [the commissioning party]' and was not 'a genuine expression of opinion ... but was the result of an exercise carried out for the purpose of arriving at a desired result': *Pivot* at 340 and 342 per Brooking J.
- RG 112.18 An expert is subject to statutory obligations to avoid making misleading or deceptive statements and engaging in misleading or deceptive conduct.

Note: See, for example, s412(8), 670A(1)(h), 1041E, 1041F and 1041H and s12DA of the *Australian Securities and Investments Act 2001* (ASIC Act).

- RG 112.19 An expert has been found to have engaged in misleading or deceptive conduct when the expert did not hold the opinions expressed in the expert report: *MGICA v Kenny & Good* (1996) 140 ALR 313 at 356–357 (a case involving a property valuation).
- RG 112.20 Similarly in *Reiffel v ACN 075 839 226* (2003) 45 ACSR 67 at 92–93, the court held that the expert report was misleading and deceptive in circumstances when ‘there was no reasonable basis for the [expert’s] statement in the report’ and the expert ‘did not hold the opinion it expressed’. The court held that the expert should have disclosed that it disagreed with the methodology used by a promoter in its forecasts and disclosed the methodology that the expert in fact used.

C Relationship between the expert and the commissioning party

Key points

An expert should identify relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report: see RG 112.21–RG 112.24.

The expert should then consider whether, on the basis of that relationship or interest:

- it should decline the engagement (see RG 112.25–RG 112.27); or
- the relationship or interest can be adequately dealt with by way of disclosure in the expert report (see RG 112.28–RG 112.37).

The expert may also need to take other actions to manage a conflict of interest: see RG 112.38.

Before engaging an expert, a commissioning party should be satisfied that the expert is independent and has sufficient expertise and resources to provide a thorough report: see RG 112.39–RG 112.41.

Note: A reference to expert in this guide is to the person or entity that issues the report. In most cases, this will be a corporate entity holding an AFS licence, even though a senior director or employee may sign the report in the name of the corporate entity and be principally responsible for preparing the report.

Identifying relationships

- RG 112.21 Previous and existing relationships may threaten, or appear to threaten, the independence of an expert. The objectivity of an expert may also be compromised, or called into question, if the expert has an interest in the outcome of the transaction that is the subject of its report.
- RG 112.22 The closer the relationship between the expert and a commissioning party or any other interested party, the greater the onus on the expert to demonstrate the absence of bias.
- RG 112.23 In identifying relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report, the expert should not only identify relationships with, and interests of, the expert but also of:
- (a) the expert's associates;
 - (b) those directors and senior employees who are principally responsible for preparing and issuing the expert report; and
 - (c) the spouse, children and associates of the directors and senior employees who are principally responsible for preparing and issuing the expert report.
- RG 112.24 The need to undertake this identification process also arises from the obligation to manage conflicts of interest if the expert is an AFS licensee.

Declining the engagement

- RG 112.25 An expert should seriously consider declining an engagement when:
- (a) a person to be involved in preparing the expert report is an officer of the commissioning party or an interested party;
 - (b) the expert, a director or a senior employee who is involved in preparing the expert report has a substantial interest in or is a substantial creditor of the commissioning party or has other material financial interests in the relevant transaction;
 - (c) the expert has participated in strategic planning work for the commissioning party as a lawyer, financial consultant, tax adviser or accountant, whether in connection with the relevant transaction or generally (e.g. advising on possible takeovers or takeover defences); or
 - (d) the expert has acted as a lawyer, financial consultant, tax adviser or accountant to the commissioning party (other than providing professional services strictly for compliance purposes rather than strategic or operational decisions or planning).
- RG 112.26 The Corporations Act specifically states that an expert must decline an engagement for the preparation of an expert report in each of the following circumstances:
- (a) when the report is to be cited or included in a target statement if the expert is an ‘associate’ (as defined in s12) of the bidder or the target and the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s640 and 648A(2));
 - (b) when the report is to be cited or included in a bidder’s statement if the expert is an ‘associate’ (as defined in s12) of the bidder or the target and the consideration for a pre-bid stake acquired in a target was unquoted securities (s636(1)(h)(iii), 636(2) and 648A(2));
 - (c) when the report is to be cited or included in the explanatory statement for a scheme of arrangement if the expert is an ‘associate’ (as defined in s12) of the parties to the scheme if the other party to a reconstruction in a scheme of arrangement has at least 30% of the voting shares of the scheme company or there are common directors (reg 5.1.01(b) and Sch 8, cls 8303 and 8306 of the Corporations Regulations); and
 - (d) if the expert is an ‘associate’ (as defined in s12) of the person issuing a compulsory acquisition or buy-out notice (s663B, 664C, 665B and 667B).
- RG 112.27 An expert’s AFS licensee obligations to manage conflicts of interest may oblige an expert to decline engagements in some circumstances. Licensee experts may be offered an engagement in which relationships and interests pose such a serious risk of conflict of interest that the threat to the expert’s

independence cannot be adequately managed through disclosure or internal controls. The only way an expert can adequately manage these threats is to avoid them and the expert's conflicts management policies and procedures should give specific guidance on circumstances when it should decline engagements: see RG 181.42–RG 181.43 and RG 181.60.

Disclosing relationships and interests

Requirement

- RG 112.28 As security holders rely on an expert report, they should be clearly informed about any relationships or interests (including financial or other interests) that could reasonably be regarded as relevant to the independence of the expert. This requirement arises from the Corporations Act and case law: see *ANZ Nominees v Wormald* (1988) 13 ACLR 698 at 707.
- RG 112.29 Disclosure of relationships or interests is required under the Corporations Act for an expert report when the report is required to be included in:
- (a) a target statement, when the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s648A(3));
 - (b) a bidder's statement, when the consideration for a pre-bid stake acquired in a target is unquoted securities (s648A(3)); and
 - (c) a compulsory acquisition or buy-out notice (s667B(2)).
- RG 112.30 Similarly, as an AFS licensee, an expert needs to make appropriate disclosure of conflicts of interest to commissioning parties and to those relying on the report as part of the conflicts management obligation: see RG 181.49–RG 181.63.

Content of disclosure

- RG 112.31 An expert should prominently disclose in the report:
- (a) the business or professional relationships with a commissioning party or any other interested party;
 - (b) any financial or other interest that could reasonably be regarded as capable of affecting the expert's ability to give an unbiased opinion on the matter being reported on; and
 - (c) any fee or benefit (whether direct or indirect) to be received in connection with the report (s648A(3) and 667B(2)).
- RG 112.32 If an expert has, within the previous two years, valued assets representing more than a *de minimus* (i.e. trivial) proportion by value of the assets that it

has been engaged to value for the commissioning party, this should also be prominently disclosed in the report.

Note: Disclosure is also required by RG 112.31 if the expert was previously engaged to value the relevant assets by the commissioning party or any other interested party.

- RG 112.33 These disclosures should be made in all expert reports irrespective of whether the report is required to be prepared by the Corporations Act or is voluntarily commissioned and supplied to security holders.
- RG 112.34 These disclosures should relate to relationships or interests existing at the time of preparation of the report or existing in the previous two years. This two-year period is a minimum period for disclosure and earlier relationships might be so significant that they warrant disclosure as well.
- Note: In *Duke Group v Pilmer*, Mullighan J referred to this benchmark with approval (at 268).
- RG 112.35 Disclosures should be timely, prominent, specific and meaningful. An expert should not use 'boilerplate' disclosures (e.g. that the expert has been paid 'a normal professional rate'). An actual amount should be shown for fees paid to an expert for the report.
- RG 112.36 When an expert report is cited or included in a bidder's statement in which any securities in the bidder (or a person who controls the bidder) are offered as consideration under the bid, these disclosures must also meet the specific disclosure obligations that apply to prospectuses under s711(2)–(4), including:
- (a) any interests that the expert has in the bidder; and
 - (b) any fees or benefits given or agreed for the expert's services (s636(1)(g)).
- RG 112.37 As an expert report will usually constitute financial services advice, an expert will need to give retail investors a Financial Services Guide (FSG). We have given relief to allow an expert to include a FSG as a separate and clearly identifiable part of an expert report: see ASIC Corporations (Financial Services Guides) Instrument 2015/541. In view of this relief, we consider that an expert should include all of its disclosure of interests and benefits, whether flowing from the FSG requirements, conflicts management, s648A or case law, in the FSG rather than duplicating that disclosure in another part of the expert report.

Other measures

- RG 112.38 In addition to disclosing any conflict of interest, an expert will need to consider whether other measures to properly manage the conflict of interest are appropriate (e.g. implementing information barriers): see RG 181.35–RG 181.37.

Commissioning an expert

- RG 112.39 In commissioning an expert, a commissioning party should consider whether the expert is independent and whether the expert has sufficient expertise and resources to give a thorough opinion on the proposed transaction. The quality of an expert report may be affected if this is not the case. If an expert considers that it is not independent or does not have sufficient expertise or resources to give a thorough opinion, it should decline the engagement.
- RG 112.40 In selecting an appropriate expert, we consider that relevant factors are likely to include:
- (a) whether the expert has adequate resources (which may include access to appropriate third party specialists) to perform the necessary work;
 - (b) the qualifications of the expert and whether the expert has the requisite level of technical expertise (including whether the expert meets the requirements of any relevant industry codes);
 - (c) the experience of the expert. For example, a commissioning party may ask what comparable transactions the expert has given an opinion on and whether that experience is relevant to the current transaction;
 - (d) whether the expert can meet the timeframe required for the report to be produced; and
 - (e) whether there are any independence issues.
- RG 112.41 While a commissioning party should satisfy itself that an expert is competent, it should ensure that any pre-engagement discussions do not compromise the expert's independence. For example, these discussions should not deal with how the expert proposes to evaluate the transaction or the merits of the transaction: see RG 112.46–RG 112.48.

D Expert's conduct in preparing its report

Key points

An expert should:

- obtain written terms of engagement from the commissioning party before commencing work;
- take care to avoid any communication with the commissioning party or any other interested party that may undermine, or appear to undermine, independence; and
- consent to the use or incorporation of its report.

Commissioning parties should be careful not to release the conclusions of an expert report in advance of the final report.

Interactions with commissioning party

Terms of engagement

- RG 112.42 Before commencing work, an expert should obtain written terms of engagement from the commissioning party that:
- (a) set out the scope and purpose of the report;
 - (b) set out the facts of the proposal and relevant data;
 - (c) recognise the expert's right to refuse to give an opinion or report at all if it is not given the information and explanations it requires to prepare the report;
 - (d) give the expert the same access to the commissioning party's records as the auditor of the commissioning party; and
 - (e) set out the fee.

Approval of appointment

- RG 112.43 It is possible that some directors of a commissioning party may have a conflict of interest in the proposed transaction, such as cross-directorships held in the target and the bidder. In these circumstances, the expert and commissioning party should ensure that the directors without a conflict select and engage the expert.
- RG 112.44 The commissioning party should ensure that the method by which an expert is appointed, and the scope of its engagement, is consistent with the concepts of independence and perceived independence of the expert. For example, it may be appropriate to have a non-executive director oversee the appointment process if management is likely to be perceived to have a strong interest in the outcome of the expert report.

Expert's fee

- RG 112.45 We will consider that an expert is not independent if the amount it is to receive for the expert report depends in any way on the outcome of the transaction to which the report relates. This is consistent with the requirement that a person who provides financial services must not hold itself out as 'independent', 'impartial' or 'unbiased' if it is paid success fees or has a conflict of interest arising from a relationship with an issuer of financial products that might reasonably be expected to influence the report: s923A.

Manner of communication

- RG 112.46 Ensuring security holders receive an objective expression of opinion in an expert report involves more than identifying and dealing with previous or existing relationships or interests. An expert's objectivity, or the appearance of objectivity, may be undermined by the interactions between the expert and the commissioning and other interested parties.
- RG 112.47 We are likely to view the following interactions as indicators of a lack of independence:
- (a) the commissioning party having rejected another expert after the expert disclosed its likely approach to evaluating the proposal;
 - (b) an expert attending discussions on the development of the transaction, the merits of the transaction or on strategies to be adopted by the commissioning party;
 - (c) an expert taking instructions from, or holding discussions with, a commissioning party, its advisers or any interested party on the choice of methodologies for the report or evaluation of the transaction (including the underlying assumptions or reasoning), although the expert may interrogate those parties for the purpose of the expert's own analysis;
 - (d) an expert accepting from a commissioning party, its advisers or any interested party their analysis of the transaction, although the expert may interrogate those parties for the purpose of the expert's own analysis;
 - (e) the expert discussing preliminary views or findings with the commissioning party or any other interested party;
 - (f) the expert entering into a success fee arrangement with the commissioning party or any other interested party;
 - (g) the expert discussing future business relationships with the commissioning party or any other interested party before finalising the report. This includes refraining from cross-selling other services of the expert; and
 - (h) the expert changing its opinion at the suggestion of the commissioning party or any other interested party without adequate explanation: see RG 112.56–RG 112.57.

- RG 112.48 We expect that an expert who is an AFS licensee will include in its internal policies and procedures guidelines to address:
- (a) communications and interactions with the commissioning party and any other interested party during the commissioning of the expert and the preparation of the report;
 - (b) remuneration arrangements; and
 - (c) supervision of the preparation of the report.

Preparing the report

Access to information

- RG 112.49 The expert, not the commissioning party, should determine what information will be required for the report. The commissioning party should give the expert all the information it is aware of about the subject of the expert report, in sufficient detail to enable the expert to determine its relevance.
- RG 112.50 If the expert is not given access to the records it requires, or is given an unduly short time to complete the report (relative to any applicable statutory time constraints), it should consider refusing to prepare a report at all. An expert should not prepare an unsatisfactory report and attempt to deal with deficiencies in the report by disclaiming responsibility.

Communication

- RG 112.51 An expert and its commissioning party may communicate and meet with each other during the preparation of the expert report for the expert to:
- (a) discuss the progress of the report;
 - (b) gain access to information;
 - (c) ascertain matters of fact or to correct factual errors (*Re Matine* (1998) 28 ACSR 268 at 288); and
 - (d) interrogate the commissioning party or another interested party for the purposes of its own analysis.
- RG 112.52 To help maintain independence and negate any inference of bias, we consider that an expert should direct and lead all meetings and discussions with the commissioning party, its advisers and any other interested party. The expert should keep appropriate file notes of discussions and retain copies of documents worked on in discussions with the commissioning party, its advisers and any other interested party.
- RG 112.53 Brooking J in *Pivot* at 339 summarised this issue in the following terms:
- The guiding principle must be that care should be taken to avoid any communication which may undermine, or appear to undermine, the independence of the expert.

Drafts of reports

- RG 112.54 An expert may give draft copies of parts of its report to a commissioning party or its advisers for factual checking before delivery of a full draft copy of the report. These early drafts should not contain the expert's analysis of the transaction, the merits of a transaction or the methodologies employed: *Pivot* at 339.
- RG 112.55 The expert should only provide a full draft copy of the report to the commissioning party for factual checking when the expert is reasonably assured that the conclusions in the report are unlikely to change.
- RG 112.56 If a commissioning party or an adviser disagrees with the expert's analysis in a draft of the expert report, the report should only be altered if the expert is persuaded that all or part of the expert's assessment is based on an error of fact. We would expect an expert, in this situation, to independently reassess the whole or relevant part of the report based on its view of the revised facts.
- RG 112.57 After a full draft copy of an expert report has been provided to a commissioning party or its advisers, any alteration of the report made at the suggestion of the commissioning party or its advisers that affects an expert's analysis of the transaction or the expert's conclusions should be clearly and prominently disclosed in the report. This disclosure should include an explanation of the changes, the reasons why the expert considered the changes appropriate and the significance of the changes to the expert's opinion.
- RG 112.58 Minor factual corrections made at the suggestion of the commissioning party or its advisers that are immaterial to an expert's analysis, conclusions or opinion need not be disclosed in the report.

Use and distribution

- RG 112.59 If a party commissions two or more reports, a copy of each report should be sent to security holders. This should be done regardless of whether more than one report is prepared by the same expert or by different experts: *Pivot* at 339. It should also be done regardless of whether the commissioning party is obliged to do so under s648A(1).
- RG 112.60 An expert should deliver its final, signed report to the commissioning party even if the commissioning party requests otherwise (unless the transaction is discontinued or varied substantially).
- RG 112.61 The directors of a commissioning party should not adopt or recommend that security holders accept the findings of an expert report without critically analysing the report. The directors should satisfy themselves that the information relied on in the report is accurate and that the report has not omitted material information known to the directors but not given to the expert.

Release of conclusions of expert reports

- RG 112.62 An expert report needs to contain sufficient information to assist security holders to make a decision, including providing details of the methodologies and material assumptions on which the report is based, together with any qualifications: see RG 111.64–RG 111.79. The directors of a commissioning party need to ensure that an expert report is not used or referred to in a way that may be misleading or deceptive.
- RG 112.63 If a commissioning party releases the conclusions of an expert report in advance of the final report, this is likely to be misleading or deceptive, particularly if the final report contains any ‘surprises’ for a person who has only read the conclusions. Releasing conclusions without providing relevant supporting information may cause confusion or uncertainty since security holders and the market will not be able to determine whether those conclusions are reasonable.
- Note: In *Re Origin Energy Limited 02* [2008] ATP 23, the Takeovers Panel considered that it was potentially misleading to quote the conclusions of a technical expert’s report in a target’s statement without giving shareholders a copy of the report or the underlying assumptions and qualifications.
- RG 112.64 Consequently, a commissioning party that releases the conclusions of an expert report in advance of the final report risks regulatory action for contravention of the misleading or deceptive conduct provisions or other regulatory action. For example, if a report is provided in relation to a bid, the commissioning party risks an application by us, or another party, to the Takeovers Panel for a declaration of unacceptable circumstances.
- RG 112.65 There may be limited situations in which a commissioning party’s continuous disclosure obligations will require disclosure of the conclusions of an expert report in advance of the final report (e.g. if confidentiality has been lost before the final report is ready for release to the market). Commissioning parties and experts should put in place processes that minimise the risk that preliminary disclosure will be required before the report has been finalised. If preliminary disclosure is required, commissioning parties should ensure that this is done in a way that is not misleading or confusing (e.g. by highlighting the limitations of the preliminary disclosure and providing all available material information about the report).

Consent of expert

- RG 112.66 An expert report may only be incorporated or referred to in a bidder’s statement or target statement if the expert has consented to the use of the report in the form and context in which it appears: s636(3) and 638(5). Before consenting, the expert should consider whether the report has been accurately reproduced and used for the purpose for which it was commissioned. The expert should also consider the appropriateness, or otherwise, of express or implied representations about its report, the conclusions or recommendations: see Regulatory Guide 55 *Prospectus and PDS: Consent to quote* (RG 55), which also applies to the consent obligations in s636(3) and 638(5).

E Use of specialists

Key points

If an expert does not have the necessary specialist expertise on a matter that must be determined for the purposes of the report, it should retain an appropriate specialist for that matter who is independent of the commissioning party: see RG 112.67–RG 112.70.

The specialist should report to the expert rather than the commissioning party: see RG 112.71–RG 112.72.

The expert should ensure that the specialist has consented to the use of its report: see RG 112.73–RG 112.77.

Engagement of specialists

- RG 112.67 It is the expert's responsibility to:
- (a) determine that a specialist's assistance is required on a matter that must be determined for the purposes of the report;
 - (b) select the specialist and ensure that the specialist is competent in the field;
 - (c) negotiate the scope and purpose of the specialist's work and ensure that this is clearly documented in an agreement (though the agreement may be with the commissioning party or the expert); and
 - (d) be satisfied that the specialist is independent of, and is perceived to be independent of, the commissioning party and any other interested party.
- RG 112.68 We consider best practice would be for the expert to pay the specialist its fees and recover those fees from the commissioning party.
- RG 112.69 We would expect a specialist report to be specifically commissioned and prepared for the transaction the subject of the expert report. We would also expect the expert to make it clear to the specialist that the report is being commissioned for inclusion in the expert report. If the specialist report is not prepared specifically for the current transaction, this should be clearly explained to security holders. The Takeovers Panel in *Re Great Mines Limited* [2004] ATP 01 expressed the disclosure requirement in the following terms (at [56]):
- Wherever a report is re-used in this way, however, shareholders should be advised of the purpose for which the report was prepared. It would be inappropriate to re-use a report in this way to satisfy a requirement for an independent experts report and in general, it would be misleading to describe a report re-used in this way as independent.
- RG 112.70 While these comments were made in the context of an independent expert report, we consider they are equally applicable to the use of a specialist report.

Review of specialist report

RG 112.71 The expert should:

- (a) critically review the specialist report, particularly to consider whether the specialist has used assumptions and methodologies which appear to be reasonable and has drawn on source data which appears to be appropriate in the circumstances;
- (b) have reasonable grounds for believing the specialist report is not false or misleading;
- (c) ensure the specialist signs its report and consents to its use in the form and context in which it will be published; and
- (d) ensure that the specialist report is used in a way that will not be misleading or deceptive.

RG 112.72 A specialist report commissioned by the expert should be dated close enough to the date of the expert report to ensure that assumptions applied have not been overtaken by time or events.

Use of specialist report

RG 112.73 The expert should ensure that the specialist consents to the use of its report in the form and context in which it will be published. If a specialist does not take responsibility for, or authorise the use of, its report and the expert considers that the material the subject of the report needs to be included in the expert report, the expert must accept entire responsibility for the statements as the expert's own and, as such, must have reasonable grounds for believing the statements not to be misleading or deceptive. This is consistent with our approach to directors assuming responsibility for statements in a prospectus or PDS that are not attributed to another person: see RG 55.11–RG 55.12.

RG 112.74 The expert should exercise its judgment to determine whether to include the specialist report in full or include a concise or short form version or cite or extract the specialist report.

RG 112.75 We encourage an expert to consider whether it is appropriate to have the specialist prepare a concise or short form specialist report for inclusion in the expert report with a longer specialist report available on request free of charge or accessible online.

RG 112.76 An expert should only quote or cite the specialist's work in a way that is fair and representative. Otherwise the expert risks misleading security holders. If the full specialist report contains any 'surprises' for the security holder who only reads the short form or concise report, this would indicate the short form specialist report was misleading.

RG 112.77 In the situation when an expert has obtained more than one specialist report on the same matter, we consider that security holders will not be given all material information if the expert merely supplies abridged results of those reports, and states, without comment or analysis, the result is the sum of the values given in each of the specialist reports.

Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
expert	The meaning given to that term in s9 of the Corporations Act
Financial Services Guide (FSG)	A document that must be given to a retail client in relation to the provision of a financial service in accordance with Div 2 of Pt 7.7 of the Corporations Act Note: See s761A for the exact definition.
Product Disclosure Statement (PDS)	A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act Note: See s761A for the exact definition.
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 181 (for example)	An ASIC regulatory guide (in this example numbered 181)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

Related information

Headnotes

experts, expert reports, independence, genuine opinion, relationships or interests, declining the engagement, disclosing relationships or interests, conduct of experts, use of specialists

Regulatory guides

RG 55 *Disclosure documents and PDS: Consent to quote*

RG 111 *Content of expert reports*

RG 181 *Licensing: Managing conflicts of interest*

Legislative instruments

ASIC Corporations (Financial Services Guides) Instrument 2015/541

Legislation

Corporations Act, Chs 2E, 6 and 6A, s12, 412(8), 636, 638, 640, 648A, 663B, 664C, 665B, 667B, 670A(1)(h), 711, 766A, 766B(1), 911A(1), 912A(1)(aa), 1041E, 1041F and 1041H, Corporations Regulations, regs 5.1.01 and 7.6.01(u), Sch 8, cls 8303 and 8306

ASIC Act, s12DA

Cases

ANZ Nominees v Wormald (1988) 13 ACLR 698

Re AuIron Energy Limited [2003] ATP 31

Duke Group v Pilmer (1998) 27 ACSR 1

Re Great Mines Limited [2004] ATP 01

Re Matine (1998) 28 ACSR 268

MGICA v Kenny & Good (1996) 140 ALR 313

Re Origin Energy Limited 02 [2008] ATP 23

Phosphate Co-operative Co of Aust Ltd v Shears & Anor (No 3) (1988) 14 ACLR 323

Reiffel v ACN 075 839 226 (2003) 45 ACSR 67

Consultation papers and reports

CP 62 *Better experts' reports*

CP 143 *Expert reports and independence of experts: Updates to RG 111 and RG 112*

REP 234 *Response to submissions on CP 143 Expert reports and independence of experts*

Appendix D: Limitations & disclosures

Qualifications

I, Christopher Clarke Hill, am a Senior Managing Director in the Corporate Finance & Restructuring division of FTI Consulting and specialise in corporate insolvency and restructuring.

In this role I have undertaken engagements involving Independent Business Reviews, informal advisory mandates and formal insolvency roles acting as Voluntary Administrator and Receiver and Manager, as well as expert witness roles opining on issues associated with solvency and antecedent transactions.

In these engagements I regularly conduct:

- Independent, critical reviews of forecasts, including underlying assumptions, for the purpose of assessing reasonableness and conducting sensitivity analysis; and
- Campaigns for the sale of businesses as going concerns and assets on a piecemeal basis, including assessing the value of either businesses and/or assets for sale.

Additionally, FTI Consulting provides a range of corporate advisory services and has advised on numerous takeovers, valuations, acquisitions, and restructures.

Other relevant information to the provision of this Report is the following:

- I am a Chartered Accountant with a Bachelor of Commerce from The University of Adelaide majoring in Accounting;
- I am a Registered Liquidator having first been registered as a liquidator in 2006;
- I have over 25 years of experience working in the restructuring and advisory sector;
- I am a member of the Institute of Chartered Accountants Australia & New Zealand; and
- I am a member of the Australian Restructuring Insolvency and Turnaround Association.

My curriculum vitae is attached as Appendix A.

Disclaimers

This Report was not prepared for any other purpose or for use by any other person other than for the purpose of assisting the Court and ASIC in their determinations regarding the Schemes and providing information to creditors. Neither FTI Consulting nor I accept any responsibility to any other person for the use of the Report outside the stated purpose without the written consent of FTI Consulting. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without prior written consent from FTI Consulting, as to the form and context in which it may appear.

Other than this Report, neither FTI Consulting nor I have been involved in the preparation of the Explanatory Statement or any other document prepared in respect of the Schemes. Accordingly, we take no responsibility for the content of the Explanatory Statement as a whole, or other documents prepared in respect of the Schemes.

I note that the forward-looking financial information prepared by the Group and its advisors does not include estimates as to the potential impact of any future changes in taxation legislation or accounting policies.

Current market conditions

My opinion is based on economic, market and other conditions prevailing at the Valuation Date and the Report Date. Such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. I reserve the right to revise any valuation or other opinion in the light of material information existing at the Valuation Date or the Report Date that subsequently becomes known to me.

Currency

All references to '\$' and 'dollars' are references to United States dollars unless stated otherwise.

Rounding

Due to rounding, numbers presented throughout this document may not add up to the totals provided and percentages may not reflect the absolute figures.

Independence

Prior to accepting this engagement, I have considered my independence with respect to the parties involved with the Schemes with reference to the RG 112 and APES 110 'Code of Ethics for Professional Accountants' ("APES 110") issued by the Accounting Professional and Ethics Standards Board.

Neither I, nor the other FTI Consulting staff working on this Report, have at the date of this IER, and have not had within the previous two years, any business or professional relationship with the Group or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide unbiased opinions in relation to the Schemes.

I have read ASIC RG 112 and am of the opinion that there is no:

- Actual, or perceived, conflict of interest;
- Actual, or perceived, threat to independence; or
- Other reason for which the engagement could not be accepted.

In accordance with RG 112.23, and RG 112.28 to RG 112.36, the below provides a summary of the prior engagements FTI Consulting has undertaken during the period 2016 to date for the Group and its legal advisors:

February 2020

- FTI Consulting's Corporate Finance & Restructuring division in the USA was engaged by the Group to undertake a working capital optimisation engagement.
- This was a non-bankruptcy operational restructuring piece of work and the job matter was closed on 10 October 2020 which precedes the date on which I was contacted by Ashurst Australia to undertake the production of this Report.

May 2017

- FTI Consulting's Corporate Finance & Restructuring division in Australia was engaged to chair the scheme meetings related to the 2017 schemes of arrangements.

November 2016

- FTI Consulting's Corporate Finance & Restructuring and Forensic & Litigation Consulting divisions in the USA and Australia were engaged by the Group as financial advisors. The role incorporated the consideration of Chapter 11 and Chapter 15 protection in the USA, and voluntary administration planning in Australia. Members of the FTI Consulting Strategic Communications division in Australia provided communications support.
- The Group did not enter in Chapter 11 as a result of pursuing the 2017 schemes of arrangement and the engagement was finalised on 2 January 2018.

In my opinion, I do not consider that the engagements detailed above impact on my independence on the basis that:

- These engagements occurred prior to my engagement as independent expert; and
- These engagements were managed and led by different FTI Consulting staff. No FTI Consulting staff members who have had prior dealings with the Group have assisted me in the preparation of this Report.

Ashurst

FTI Consulting undertakes work from time to time on behalf of Ashurst Australia. In my opinion, this relationship does not result in a conflict of interest or duty. I have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the completion of this engagement.

Proposed Appointment as Scheme Administrators of the Schemes

If the Schemes are agreed to by both the Secured Scheme Creditors and the Unsecured Scheme Creditors, and approved by the Court, Christopher Hill and David Peter McGrath of FTI Consulting have agreed to act as both Secured Scheme Administrators and Unsecured Scheme Administrators.

Neither FTI Consulting nor I have had any part in the formulation of the Schemes. Our only role has been the preparation of this Report. During the preparation of this Report, I provided draft copies of this Report to Management and its advisors for comment as to factual accuracy, as opposed to opinions which are my responsibility. Changes made to this Report as a result of those reviews have not altered my opinions as stated in this Report.

Neither FTI Consulting nor I were involved with, or have any interest in, the outcome of the Schemes other than that of independent expert and the preparation of this Report.

FTI Consulting is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this Report.

Except for these fees, neither FTI Consulting nor I will be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this Report. The payment of this fee is in no way contingent upon the outcome of the Schemes. Neither FTI Consulting nor I will receive any other benefit for the preparation of this Report.

I consider myself to be independent in terms of RG 112.

Consents

I consent to issuing this Report in the form and context in which it is included in the Explanatory Statement. Apart from the Report, neither FTI Consulting nor I are responsible for the contents of Explanatory Statement, or any other document or announcement associated with the Explanatory Statement. I acknowledge that this Report may be lodged with regulatory bodies.

Reliance on information

The statements and opinions contained in this Report are given in good faith and are based upon my consideration and assessment of information provided by Management and its advisors.

I believe the information provided to be reliable, complete, and not misleading, and I have no reason to believe that any material facts have been withheld. The information provided has been evaluated through analysis, inquiry, and review for the purpose of forming my opinions.

The procedures I have adopted in forming my opinions may have involved an analysis of financial information and accounting records. This did not include verification work nor constitute an audit or review in accordance with Australian Auditing and Assurance Standards Board standards and consequently does not enable me to become aware of all significant matters that might be identified in an audit or review. Accordingly, I do not express an audit or review opinion.

It was not my role to undertake, and I have not undertaken, any commercial, technical, financial, legal, taxation or other due diligence, or other similar investigative activities in respect of the Group or the Schemes.

I understand that the Group have been advised by legal, accounting, and other appropriate advisors in relation to such matters, as necessary. Neither FTI Consulting nor I provide any warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Group and/or their advisors.

It is understood that, except where noted, the accounting information provided to me was prepared in accordance with generally accepted accounting principles (including adoption of Australian equivalents to International Financial Reporting Standards) and prepared in a manner consistent with the method of accounting used by the Group in previous accounting periods.

Prospective financial information

In preparing the Report, I have had regard to prospective financial information in relation to the Group (“Prospective Financial Information”). I understand that the Prospective Financial Information has been prepared as part of the ongoing management processes of the Group, and in particular in connection with the proposed Schemes.

For the purposes of my Report, I understand and have assumed that the Prospective Financial Information:

- Has been prepared fairly and honestly, on a reasonable basis and is based on the best information available to the Management of the Group and its advisors; and
- Has practical constraints and limitations due to the ongoing COVID-19 environment, and does not reflect any material bias, either positive or negative.

I understand that the Prospective Financial Information has been based on assumptions concerning future events and market conditions, and while prepared with due care and attention and Management and its advisors consider the assumptions to be reasonable, future events and conditions are not predictable and the assumptions and outcomes are subject to significant uncertainties. Actual results are likely to vary from the Prospective Financial Information and variations may be materially positive or negative. Accordingly, neither I, the Group, its Management, its advisors, nor FTI Consulting guarantee that the Prospective Financial Information or any other prospective statement contained in the IER or otherwise relied upon will be achieved.

Neither FTI Consulting nor I have been engaged to undertake an independent review of the Prospective Financial Information in accordance with Australian Auditing and Assurance Standards Board standards and has not undertaken such a review.

However, in order to disclose and to rely on the Prospective Financial Information in the Report, I am required to satisfy myself that the Prospective Financial Information has a reasonable basis.

Set out below are some of the indicative factors that would support a conclusion that the Prospective Financial Information has a reasonable basis:

- A material portion of the Prospective Financial Information incorporates established trends in the Group’s business life cycle and current arrangements in place with key stakeholders. The Prospective Financial Information reflects Management’s best assessment at the time of preparation noting the current challenges caused by ongoing impacts of COVID-19.
- The Prospective Financial Information has been prepared as part of the ongoing management of the Group, and in particular in connection with the proposed restructuring of the Group via the proposed Schemes of Arrangement and broader restructuring outlined in the RSA.
- The reporting and budgeting processes of the directors of the Group have been in place for some time and involve regular reporting of actual performance to budget variances, management follow up, and input from senior management and its advisors, and that the process itself is under continuous review.
- The Prospective Financial Information is based on the Group’s forecast financial models (namely the FY21 Group Budget and FY21 RF1 Budget) that have been created from a ‘bottom up’ basis.
- The Prospective Financial Information has been endorsed by the directors and management of the Group.

- In addition, I have:
 - Obtained details of the Prospective Financial Information and the process by which this information was prepared;
 - Held discussions with Management of the Group regarding the basis on which the Prospective Financial Information was formulated and where possible on a 'desktop' level, undertaking evaluation of such information, by reference to past trading performance, industry data, available evidence and/or other documentation provided;
 - Reviewed assumed growth against historical earnings;
 - Investigated previous forecasting history and accuracy, to the extent relevant given the COVID-19 environment; and
 - Reviewed the most recently available monthly management accounts considered the relevant industry trends and the position adopted by the Group and as reflected in the model.

APES 225

My Report has been prepared in accordance with professional standard APES 225 'Valuation Services' issued by the Accounting Professional & Ethical Standards Board.

Appendix E: Glossary

Table 37: Glossary

Term	Definition
\$ or USD	United States Dollars
%	Percentage
x	times
2017 RSA	Restructuring Support Agreement entered into by the Group with some of its largest creditors on 3 April 2017
20##A	Actual for calendar year 20##
20##F	Forecast for calendar year 20##
A\$ or AUD	Australian Dollars
AASB	Australian Accounting Standards Board
AASB 5	AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'
AASB 15	AASB 15 'Revenue from Contracts with Customers'
AASB 16	AASB 16 'Leases'
the Act	the Corporations Act 2001 (Cth)
Adjusted EBITDA	The Group reports Adjusted EBITDA that excludes significant items such as recapitalisation / restructuring costs (including employee and related costs), impairments, legal provisions, and, once-off onerous expenses
AHG	Ad-hoc group consisting of Ares, Ascribe, Nut Tree, and FPA
AJ Lucas	AJ Lucas Limited
APES	Accounting Professional & Ethical Standards
APES 110	APES 110 'Code of Ethics for Professional Accountants'
APES 215	APES 215 'Forensic Accounting Services'
APES 225	APES 225 'Valuation Services'
Ares	Ares Management LLC
ASA	Asset Sale Agreement
Ascribe	Ascribe II Investments LLC
Asia Pacific	Australasia and South East Asia
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Backstop ABL	The Term Loan Securities Agreement, dated as of 23 July 2017, by and among Boart Longyear Management Pty Limited, as issuer, the guarantors party thereto, Wilmington Trust, National Association, as administrative agent, and the purchasers party thereto, providing for the issuance of term loan securities due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time
BCM	BL Capital Management LLC ARBN 649 445 321
BLA	Boart Longyear Australia Pty Ltd ACN 000 401 025
BLI	Boart Longyear Investments Pty Limited ACN 124 070 373
BLY	Boart Longyear Limited ACN 123 052 728
BLY IP	BLY IP Inc.

Term	Definition
BLY Issuer	Boart Longyear Management Pty Limited ACN 123 283 545
BLY US	BLY US Holdings Inc. ARBN 649 445 394
c	cents or 1/100 th of a \$ (also referred to as a penny)
CAD	Canadian Dollars
CAPEX	Capital expenditure
Capital	Capital Limited
CAPM	Capital Asset Pricing Model
CDI	A CHESSE Depository Interest, that being a unit of beneficial ownership in a Principal Financial Product (as that term is defined in the ASX Settlement Operating Rules) that is registered in the name of the Authorised Nominee in accordance with the ASX Settlement Operating Rules, for the purpose of enabling the securities to be recorded and transferred in accordance with those operating rules
Centerbridge	Centerbridge Partners L.P.
CEO	Chief Executive Officer
CODI	Cancellation of Debt Income
Commitment Letter	An unexecuted commitment letter (including a term sheet) for the Exit Financing that outlines the agreed terms between the Group and the proposed exit financiers which is anticipated to be executed by each of the parties on or around 19 July 2021
Controlled Insolvency Scenario	Scenario contemplating that the Scheme Companies are to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act, the Schemes are not implemented, and the business of the Group will be sold as a going concern in its distressed state
COVID-19	Coronavirus disease 2019
CRA	Canadian Revenue Authority
Creditor Share Purchase Option	A right made available to creditors under the Schemes to purchase a pro rata share of new equity in BLY, after implementation of the Schemes, offered to each SUN holder, and if undersubscribed, each participating holder of TLA claims, TLB claims or SSN claims, subject to an aggregate maximum cap of \$2.5 million plus any undersubscription of the Share Purchase Plan
Drilling Services	The Drilling Services segment of the Group, which provides aboveground and underground drilling services predominately to mining and resource companies across North America, LAM, Asia Pacific and EMEA
DTA	Deferred tax asset
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation, and amortisation
EMEA	Europe, the Middle East, and Africa
EPM	Entity Priority Model
ERP	Enterprise Resource Planning
EV	Enterprise Value
Exit Financing	A new money loan for the amount necessary to fully refinance the Backstop ABL and Incremental Financing
Finance Facilities	The Group's total finance debt including accrued PIK, accrued interest, and applicable premium
FPA	First Pacific Advisers LP
Foraco	Foraco International SA
FRS	Financial Reporting Standard

Term	Definition
FTI Adjusted EBITDA	The Group's Adjusted EBTIDA, further adjusted for: AASB 16 (where relevant), gain on sale of assets (to be \$3.0m in each financial year), and the removal of VAT write-offs
FTI Consulting	FTI Consulting (Australia) Pty Ltd
Geodrill	Geodrill Limited
GDP	Gross Domestic Product
the Group	Boart Longyear Limited and subsidiaries
GST	Goods and services tax
H#FY##	Financial year half #, financial year 20##
Q#FY##	Financial year quarter #, financial year 20##
FY##	Financial year 20##
FY##A	Actuals for financial year 20##
FY##B	Budget results for financial year 20##, based on the FY21 Group Budget
FY##F	Forecast for financial year 20##
FY21 RF1 Budget	2021 Group Budget Forecast Model (RF1)
FY21 Group Budget	The Group's original FY21 budget
IER or Report	Independent Expert's Report
IFRS	International Financial Reporting Standards
IFRS 16	IFRS 16 'Leases'
Implied Value	The Implied Value that would be respectively be available to the Secured Scheme Creditors and the Unsecured Scheme Creditors if the Schemes were to be put into effect as proposed
Incremental Financing	The Term Loan Securities Agreement dated 1 June 2021 entered into by and among Boart Longyear Management Pty Limited, as issuer, the guarantors party thereto, the purchasers party thereto, Wilmington Trust, National Association, as administrative agent and U.S. Bank, National Association, as collateral agent
IVS	International Valuation Standards
IVS 104	IVS 104 'Bases of Value'
LAM	Latin America
LME	London Metal Exchange
LSE	London Stock Exchange
LTM	Last-twelve-months
Long Term Forecast	The Group' 3-year forecast model (2021 to 2023) - transaction completed
m	millions
M&A	Mergers and acquisitions
Major	Major Drilling Group Inc.
Management	Management of the Group
Members' Scheme of Arrangement	The compromise or arrangement under Part 5.1 of the Corporations Act between BLY and its shareholders, pursuant to which BLY will become a wholly owned subsidiary of New BLY Parent by the transfer of all Shares to New BLY Parent in exchange for the issue of New BLY Parent CDIs to BLY Shareholders
Mitchell Services	Mitchell Services Limited
MRP	Market Risk Premium
NBV	Net book value

Term	Definition
New BLY Parent	Boart Longyear Ltd, a limited company incorporated in Ontario, Canada, which is a newly incorporated company established for the purposes of the Members' Scheme of Arrangement
New BLY Parent CDI	A CDI representing a beneficial interest in one New BLY Parent share
New Warrants	Issuance of new warrants to the holders of the SUNs in connection with the Schemes
New Common Equity	The single class of BLY shares to be issued by BLY under the Schemes
Non-Associated Shareholders	All shareholders in BLY other than those who hold any position in TLA, TLB, SSN and SUNs
NPAT	Net profit after tax
Nut Tree	Nut Tree Capital Management
Obligor Group	The group of entities consisting of Boart Longyear Australia Pty Limited; Boart Longyear Limited; Boart Longyear Investments Pty Limited; Votrait No. 1609 Pty Limited; Boart Longyear Canada; Boart Longyear Manufacturing Canada Ltd.; Longyear Canada, ULC; Boart Longyear Chile Limitada; Boart Longyear S.A.C.; Boart Longyear Suisse Sarl; Boart Longyear Company; Boart Longyear Manufacturing and Distribution Inc.; BLY IP Inc.; BL Capital Management LLC; BLY US Holdings Inc.; and, Longyear TM, Inc.
OEM	Original Equipment Manufacturer
Orbit	Orbit Garant Drilling Inc.
oz	Ounce
P.c.p	Prior corresponding period
P&L	Profit and Loss Statement
PBT	Profit before tax
Perenti	Perenti Global Limited
PIK	Payment-in-kind
PNC ABL	The Amended and Restated Revolving Credit and Security Agreement, dated 23 July 2017, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among PNC Bank National Association as lender and as agent, Boart Longyear Management Pty Limited as a borrower, the other borrowers party thereto and the guarantors party thereto
PP&E	Property, plant, and equipment
Products	The Products segment of the Group, which manufactures drill rigs and drill components for the sale to third parties and its own Drilling Services segment
Prospective Financial Information	Prospective financial information in relation to the Group
RBA	Reserve Bank of Australia
Regulations	Corporations Regulations 2001 (Cth)
Report Date	27 July 2021
Restructuring Term Sheet	The restructuring term sheet attached to the RSA
RG	Regulatory guide
RG 60	RG 60 'Schemes of Arrangement'
RG 111	RG 111 'Content of Expert's Reports'
RG 112	RG 112 'Independence of Experts'
RSA	Restructuring Support Agreement dated 12 May 2021 made between, amongst others, BLY, BLY Issuer, BCM, AHG, and funds associated with Centerbridge, which the parties have agreed is to be amended in accordance with the terms of the RSA amendment deed to be entered into between, amongst others, BLY, BLY Issuer, BCM, AHG, and funds associated with Centerbridge

Term	Definition
RSA Date	The date on which the Schemes are assumed to be effected by Management in the FY21 RF1 Budget and the Long Term Forecast, being 31 August 2021
Scheme Companies / Scheme Co's	BLY, BLY Issuer, BLA, BLI, Votrant, BCM, and BLY US
Scheme Documents	The Creditors' Schemes of Arrangements and the Explanatory Statement
Schemes	The Secured Creditors Scheme and the Unsecured Creditors Scheme
Secured Scheme Creditors	The holders of certain secured amounts owing under Term Loan A, Term Loan B, and the SSNs
Share Purchase Plan	The share purchase plan offered to eligible share purchase plan shareholders on the terms set out in the share purchase plan booklet dated on or about the date of the Explanatory Statement, pursuant to which eligible share purchase plan shareholders may subscribe for up to A\$30,000 worth of Shares, provided that the maximum amount to be raised by the share purchase plan is \$2.5 million
the Share Sale Companies / SSA Co's	Entities in the Group excluding the Scheme Companies
Share	Fully paid ordinary shares in the capital of BLY
SG&A	Selling, general, and administrative expenses
SPV	Special Purpose Vehicle
SSA	Share Sale Agreement
SSNs	The notes issued under that certain Indenture, dated 27 September 2013, by and among the Boart Longyear Management Pty Limited, as issuer, the guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, providing for the issuance of 14.5% / 12.0% / 10.0% senior secured PIK toggle notes due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time
SSNs (stub) / stub SSNs	The SSNs that were non-consenting to the June 2020 amendment
Swick	Swick Mining Limited
SUNs	Those notes issues under that certain Indenture, dated 28 March 2011, by and among Boart Longyear Capital Management Pty Limited, as issuer, the guarantors party thereto, and Delaware Trust Company, as trustee, providing for the issuance of 1.50% unsecured subordinated PIK notes due 2022, as amended, varied, or amended and restated from time to time, as amended, restated, amended and restated, supplemented or otherwise modified from time to time
Term Loan A or TLA	The Term Loan A Securities Agreement dated as of 31 December 2018 (as amended by the First Amendment to Term Loan A Securities Agreement dated as of July 17, 2019, the Second Amendment to Term Loan A Securities Agreement dated as of June 24, 2020 and as further amended, varied or amended and restated from time to time) by and among BL Capital Management LLC, Boart Longyear Management Pty Limited, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022
Term Loan B or TLB	The Term Loan B Securities Agreement dated as of 31 December 2018 (as amended by the First Amendment to Term Loan B Securities Agreement dated as of 17 July 2019, the Second Amendment to Term Loan B Securities Agreement dated as of 24 June 2020 and as further amended, varied or amended and restated from time to time) by and among BL Capital Management LLC, Boart Longyear Management Pty Limited, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022
TV	Transaction Value
Uncontrolled Insolvency Scenario	Scenario contemplating that the Scheme Companies are to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act, the Schemes are not implemented, and the business of the Group will cease, and its assets, located in various entities in a variety of international jurisdictions, will be liquidated to pay outstanding liabilities
TV	Transaction value

Term	Definition
UK	United Kingdom
Unsecured Scheme Creditors	The holders of certain unsecured amounts owing under Term Loan A, Term Loan, B, the SSNs, and the SUNs
US or USA	United States of America
Valuation Date	The valuation date is 25th May 2021. Including, to the extent possible and practical, any information that was made available and is considered important up to the Report Date
VAT	Value-added tax
Votraint	Votraint No. 1609 Pty Limited ACN 119 244 272
WACC	Weighted average cost of capital
Y.o.Y	Year-on-year
YTD	Year-to-date

Appendix F: Sources of information

In preparing this Report, I have been provided with, and considered, the following sources of information.

Publicly available information

- AJ Lucas Group FY19 Annual Report
- APES 110 'Code of Ethics for Professional Accountants'
- APES 215 'Forensic Accounting Services'
- APES 225 'Valuation Services'
- ASIC's Regulatory Guide 111 'Content of Expert's Reports'
- ASIC's Regulatory Guide 112 'Independence of Experts'
- ASIC's Regulatory Guide 60 'Schemes of Arrangement'
- Beacon Securities Limited, Geodrill Limited, 12 May 2021
- Bloomberg
- The Board of Governors of the Federal Reserve System – 'Why does the Federal Reserve aim for inflation of 2 percent over the longer run?'
- Boart Longyear Limited FY12, FY13, FY14, FY15, FY16, FY17, FY18, FY19, and FY20 Annual Reports
- Capital Limited FY20 Annual Results, 18 March 2021
- Capital Limited FY19 Annual Report
- Capital Limited FY20 Annual Report
- Foraco International FY19 Annual Report
- Foraco International FY20 Statutory Auditor's Report on The Consolidated Financial Statements
- Foraco International Reports Q2 2020
- Foraco Investor Presentation 2019
- Geodrill Limited FY19 Annual Report
- Geodrill Limited Management's Discussion and Analysis For The Year Ended 31 December 2020
- IBISWorld – Oil and Mineral Exploration Drilling in Australia – Report #OD5427, August 2020
- International Valuation Standards 2019
- Major Drilling Group FY19 Annual Report
- Major Drilling Group FY20 Annual Report
- Mitchell Services FY19 Annual Report
- Orbit Garant Drilling FY19 Annual Report
- Orbit Garant Drilling FY20 Annual Report
- Paradigm Capital, Orbit Garant Drilling Inc., 14 May 2021
- Perenti 2020 Annual Report
- Perentri ASX Release 24 August 2020
- Proactive Investors, Capital Limited, 20 August 2020
- RBA Speech 'After the Boom', 13 September 2016
- Resources and Energy Quarterly, Office of the Chief Economist, March 2021
- S&P Global: World Exploration Trends March 2021

- S&P CapitalIQ
- Swick Mining Services FY19 Annual Report
- Swick Mining Services FY20 AGM Presentation, 6 November 2020
- Swick Mining Services FY20 Annual Report
- US Department of the Treasury Daily Treasury Yield Curve

Non-public information

- ABL Borrowing Base Calculations between July 2019 and March 2021
- Accounts Payable Aging as at 30 April 2021
- Accounts Receivable Aging as at 30 April 2021
- April 2021 Management Accounts and supporting schedules
- Boart Longyear Limited Board of Directors Minutes, February 2021
- Boart Longyear Limited Restructuring Support Agreement and supporting schedules/calculations
- Boart Longyear Limited Sharetrak Top 100 Share Register Analysis, 31 March 2021
- Covenant Reporting Packs and Compliance Certificates
- Customer and Supplier Concentration Analysis
- Debt Structure Outline as at 30 April 2021
- Fixed Assets Register as at 30 April 2021
- FY21 Group Budget and supporting schedules
- FY21 RF1 Budget and supporting schedules
- Group Structure as at 31 December 2020
- Lease Liability Summary as at 30 April 2021
- Long Term Forecast
- Monthly Operating Review Presentations from July 2019 to February 2021
- No Transaction Forecast
- Tax Disputes and Payables Summary as at 30 March 2021
- Valuation Report on the Intellectual Property Assets of Boart Longyear, February 2021
- Weekly Cash Flow Forecasts

Appendix G: Valuation methods

Valuation methods for the valuation of a business

Overview

Below are commonly used valuation methods for valuing businesses:

- The discounted cash flow method;
- The capitalisation of earnings method;
- The net asset value method;
- The quoted market price method; and
- Reference to any recent genuine offers received.

Each of the methods are discussed in the following paragraphs.

Discounted cash flow method

The discounted cash flow method assesses the value of a business by forecasting its future cash flows and then discounting them back to their present value at the valuation date by applying an appropriate discount rate.

The discount rate applied is generally based on the opportunity cost of capital to the investor, reflecting the return that an investor expects to obtain from investments with equivalent risks. The discount rate reflects the time value of money and the risk profile of the cash flow stream being valued.

Where the business (or asset) being valued is assumed to have a very long or infinite remaining life, a terminal value may be incorporated in the discounted cash flow, reflecting the future value at the end of the period for which cash flows are forecast. The terminal value is best estimated at a future point in time where cash flows are expected to be stable going forward and is based on an assumed future growth rate.

The discounted cash flow method is particularly useful in circumstances where the business has a short history of stable earnings or earnings are expected to change significantly from recent history (for example, start-up companies or other companies expecting significant growth, such as a restructured businesses coming out of administration).

Capitalisation of earnings method

The capitalisation of earnings method is commonly applied when valuing businesses where a future 'maintainable' earnings can be estimated with a level of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a method is generally not as useful when a business is in a start-up phase, has a finite life, or is loss making.

Capitalisation multiples can be applied to various earnings measures including estimates of future maintainable operating cash flows, EBITDA, EBIT, or net profit after tax. The maintainable earnings are often based on forecasts, adjusted for abnormal or non-recurring items. Historical results can also be used as an estimate of future earnings but may require adjustments.

The appropriate capitalisation rate (or multiple) to be applied to earnings is usually derived from the stock market trading in shares of listed comparable companies which provide some guidance as to the value, and from transactions involving acquisitions comparable companies.

The multiple should reflect the business' outlook including future growth prospects, risks, the industry's outlook, and investor expectations. Multiples derived from comparable company sources need to be reviewed and analysed in the context of the differing investment characteristics and growth prospects between the company being valued and the comparable companies. When valuing controlling interests in a company, an adjustment is often required to

incorporate a control premium. The earnings from any surplus assets or non-trading assets are to be excluded from the estimate of future maintainable earnings and the value of such assets is often estimated separately and added to the EV in order to form an opinion on the total value of the company before debt.

Net asset value method

The net asset value method is particularly useful in circumstances where neither the discounted cash flow method nor capitalisation of earnings method are appropriate, or as a cross check to other methods. The net asset value method can be applied when the entity is no longer a going concern, or the orderly realisation of assets and distribution of proceeds is proposed.

The net asset value method estimates the value of a business by reference to the realisable value of its assets. There are multiple bases for estimating the realisable value of the assets, including based on an orderly realisation basis, a liquidation basis, or on a Going Concern basis.

Generally, the lowest asset values are derived from a 'liquidation' assumption, while the highest asset values are derived from a 'Going Concern' assumption.

The assumption chosen is critical, as it impacts each of the following estimates required under the asset-based approach:

- The value attributed to assets of the company;
- Liabilities payable by the company; and
- The costs of undertaking any realisation or sale process.

There may be situations where it is appropriate to eliminate the carrying value of goodwill and any identifiable intangible assets, on the basis that the company is deriving insufficient earnings or cash flows to justify any premium in value over net tangible assets.

If a company is considered to be a going concern, no liquidation of assets is assumed, so no allowance for realisation costs is made.

Quoted market price method

A business can be valued by reference to the quoted price for listed securities, when there is a liquid and active market, and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale.

Recent offers

A business can be valued by reference to any recent genuine offers received by the target for the entire business, or any business units or assets, as a basis for valuation of those business units or asset.

Appendix H: Calculation of discount rate

Under the discounted cash flow method, projected free cash flows are discounted to the Valuation Date to provide a net present value for the cash flows projected for the business. The discount rate used to equate the future cash flows to their present value reflects a market-based estimate of the risk adjusted rate of return demanded by an investor. A company's weighted average cost of capital is the average of forward-looking estimates of its cost of equity and its cost of debt weighted by the assumed levels of equity and debt, respectively, in its capital structure.

Based on my assumptions, as detailed below, I have estimated the Group's WACC as being in in the range of 14.64% to 16.74%.

The WACC can be calculated using the following formula:

Table 38: WACC formula

$$\text{WACC} = (E/V) \times Ke + (D/V) \times Kd \times (1 - t)$$

Where:	
Ke	= required return on equity
Kd	= required return on debt
t	= corporate tax rate
E / V	= proportion of company funded by equity
D / V	= proportion of company funded by debt

Source: FTI Consulting analysis

Cost of equity

The cost of equity represents the rate of return required by equity investors. There are a number of theoretical risk and return models available to estimate the cost of equity. The capital asset pricing method ("CAPM") is the most widely accepted and used method. The CAPM is based on the theory that a rational investor will value an asset such that the expected rate of return is equal to the risk-free rate of return, plus a premium to compensate for the risk inherent in investing in the asset and that risk can be estimated by calculating the relationship between the volatility of the investment and the volatility of the market as a whole.

In my calculation of the cost of equity for the Group I have used the modified CAPM, which includes an additional premium, alpha, to reflect specific risks that are not correlated with the market. The modified CAPM formula is as follows:

Table 39: Modified CAPM formula

$$K_e = R_f + \beta \times (R_m - R_f) + \text{Alpha}$$

Where:	
Ke	= required return on equity
Rf	= the risk-free rate
Rm	= the expected return of the market portfolio
(Rm – Rf)	= collectively termed the equity market risk premium
β	= beta is the systematic risk of a stock relative to the market
Alpha	= alpha is the entity specific risk premium not captured in the beta

Source: FTI Consulting analysis

I have calculated the cost of equity based on the following assumptions:

Risk-free rate

The risk-free rate is the return on a risk-free security, typically for a long-term period. It compensates the investor for the time value of money and the expected inflation rate over the investment period. In practice, longer term government bonds are used as a benchmark for a risk-free security.

I have assumed a risk-free rate of 2.26%, being the spot nominal yield on the 30-year USA government bond as at Valuation Date²⁸.

Market risk premium

The market risk premium (“MRP”) is the expected return on a market portfolio that represents the return required by investors on equity securities. The MRP is therefore the difference between the expected rate of return on the market portfolio and the risk-free rate. The MRP represents the additional return that investors require to invest in the equity securities, as compared to a risk-free investment.

The MRP is the ‘expected’ premium and is therefore unobservable. For practical reasons, the historical premium is generally used as a proxy for the MRP on the basis that a long term average return of what has been earned from equity investments would be a fair indication of what investors would expect to earn for a medium to long term investment horizon.

A MRP range of 5.0% to 7.0% is commonly used by many academics and valuers. The KPMG Valuation Practices Survey (2019) indicates that approximately 40% of Australian valuers adopt a MRP of between 6.0% and 6.5% when valuing USA assets.

For my valuation, I have assumed a market risk premium of 6.0%.

Beta

Beta is a measure of the systematic risk of a stock relative to the market portfolio. The expected beta cannot be observed. Therefore, the historical beta is generally used as a proxy. Beta can be estimated by regressing the excess returns of comparable company shares against the excess returns of an index representing the market portfolio.

²⁸ US Department of the Treasury Daily Treasury Yield Curve (<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield>)

Unlevered (or asset) beta

Beta is impacted by a traded entity's capital structure. Since leverage is likely to be different between companies it is appropriate to compare betas between companies having regard to leverage. In practice, betas are often de-g geared (or 'de-levered') to remove the estimated impact of leverage, using an equation such as:

Table 40: Unlevered beta formula

$$\beta (\text{ungeared}) = \beta (\text{geared}) / (1 + (D / E) \times (1 - t))$$

Where:	
β (ungeared)	= beta with the impact of leverage removed
β (geared)	= beta is the systematic risk of a stock relative to the market
D	= market value of debt (or equivalent proxy)
E	= market value of equity
t	= corporate tax rate

Source: FTI Consulting analysis

The un-levered or 'asset' betas of comparable companies can then be analysed to determine an appropriate asset beta for the subject of the valuation, and it can be re-g geared (or 're-levered') to reflect the appropriate capital structure. The re-levered betas are also known as 'equity' betas.

The table below summarises the two-year levered beta, two-year unlevered beta, and r-squared for the listed comparable companies selected (see Appendix I).

Table 41: Asset betas (two-year weekly) of comparable companies

Company	Historical two-year avg. levered β	Historical two-year avg. unlevered β	R-squared (%)	R ² Flag
Orbit Garant Drilling Inc.	1.33	0.75	5.1%	Fail
Foraco International SA	0.98	0.23	1.4%	Fail
Geodrill Limited	1.09	1.09	2.3%	Fail
Swick Mining Services Limited	0.91	0.82	8.2%	Pass
Perenti Global Limited	2.16	1.61	42.7%	Pass
Capital Limited	1.02	1.02	7.9%	Pass
AJ Lucas Group Limited	0.75	0.24	1.0%	Fail
Mitchell Services Limited	1.10	0.98	22.5%	Pass
Memo - All companies				
Median	1.06	0.90		
Mean	1.17	0.84		
Memo - Companies with positive t-test				
Median	1.06	1.00		
Mean	1.30	1.11		

Source: S&P CapitalIQ, FTI Consulting analysis

R-squared is a goodness-of-fit measure for linear regression models and indicates the strength of the relationship between two variables ranging from 0.0% to 100.0%. In my view, the r-squared for the above betas are low. I have adopted the average unlevered beta of 1.11 for comparable companies with r-squared greater than 7.5%.

Re-levered (or equity) beta

The un-levered or 'asset' betas can be re-g geared (or 're-levered') to reflect an appropriate capital structure.

The following formula calculates the equity beta:

$$\beta (\text{geared}) = \beta (\text{ungeared}) \times (1 + (D / E) \times (1 - t))$$

In re-levering the asset beta, I have assumed:

- A target equity to capital ratio of 30% (or 70% debt to capital) based on the Long Term Forecast provided; and
- A global effective tax rate of 34% based on representations made by Management.

Based on my assumptions as detailed above, I have estimated an equity beta of 1.42.

Alpha (company specific risk premium)

The company specific risk premium adjusts the cost of equity for company specific factors, including unsystematic risk factors such as (but not limited to): company size, depth and quality of management, product or customer concentration, and reliance on key personnel.

The CAPM assumes, amongst other things, that rational investors seek to hold efficient portfolios, that is, portfolios that are fully diversified. One of the tenets of the CAPM is that investors do not have regard to specific company risks since those risks are hypothetically diversified away. There are several empirical studies that appear to demonstrate that the investment market does consider specific company risks.

It is common practice to apply a specific risk premium or 'alpha' to capture specific risks that have not been covered in the cost of equity. Alpha is applied because the required return the CAPM model calculates does not capture unsystematic risks (company specific risks) associated with the particular investment. If these risks are not (or cannot) be reflected in the cash flows, an alpha is appropriate.

In selecting the appropriate alpha, I have considered:

- The risks to the Group achieving its financial projections, in particular the growth in FY21; and
- That the discounted cash flow method theoretically includes a control premium, whereas my valuation using the capitalisation of earnings method does not. A higher WACC therefore ensures more direct comparability to the valuation under the capitalisation of earnings method.

I have assumed a company specific risk premium (alpha) of 7.0% to 10.0% in my valuation range under the discounted cash flow method.

Cost of debt

The cost of debt is the rate of return that investors require to make an investment in the debt of a firm. The cost of debt is typically lower than the cost of equity, reflecting the fewer risks debt investors face when compared to the equity-holders, as they are entitled to cashflows and claims before equity-holders.

I have adopted a pre-tax cost of debt of 11% based on the cost of debt in the Long Term Forecast provided by Management.

Summary

Based on the above factors, I have derived a WACC range of between 14.64% and 16.74% as detailed below:

Table 42: WACC range summary

Component	Low	High
Cost of equity		
MRP	6.00%	6.00%
Asset beta	1.11	1.11
Equity beta	1.42	1.42
Equity Risk Premium	8.54%	8.54%
Risk-free rate	2.26%	2.26%
Alpha	7.00%	10.00%
Cost of equity	17.80%	20.80%
Cost of debt		
Pre-Tax Cost of Debt	11.00%	11.00%
1-Tax Rate	66.00%	66.00%
Cost of Debt	7.26%	7.26%
Capital Structure		
Equity	70.00%	70.00%
Debt	30.00%	30.00%
Calculated WACC		
Equity	12.46%	14.56%
Debt	2.18%	2.18%
WACC	14.64%	16.74%

Source: S&P CapitalIQ, FTI Consulting analysis

Appendix I: Comparable listed companies

Comparable listed companies' descriptions

I provide detailed business descriptions for the specific comparable listed companies I have selected below.

Table 43: Company descriptions of comparable listed companies

Ticker	Company name	Business description
TSX:OGD	Orbit Garant Drilling Inc.	Orbit Garant Drilling Inc. provides mineral drilling services in Canada, the United States, South America, and West Africa. It provides underground and surface diamond drilling services to mining companies through various stages of mineral exploration, mine development, and production. The company also offers geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. In addition, it manufactures and sells surface and underground drills to other drilling companies, and custom drill rigs. As of September 28, 2020, the company operated 231 drill rigs. Orbit Garant Drilling Inc. was founded in 1965 and is headquartered in Val-d'Or, Canada.
TSX:FAR	Foraco International SA	Foraco International SA, together with its subsidiaries, provides drilling services worldwide. It operates through mining and water segments. The company offers its drilling services to the mining and energy industry, such as exploration, development, and production related underground water drilling services. It also drills wells for drinking, irrigation, industrial water, and dewatering wells, and undertakes a range of projects, including village water drilling programs, specialised drilling projects to access mineral water using sanitary protection methods, and large diameter well fields for residential supply in urban environments, as well as providing inspection, servicing, and rehabilitation services for existing wells. As of December 31, 2020, the company operated 302 drill rigs, including 62 rotary drilling rigs, 190 core diamond drilling rigs, 18 combination rigs, and 32 underground rigs. It serves mining companies, governmental organisations, and international development funds. The company was incorporated in 1997 and is headquartered in Marseille, France.
TSX:GEO	Geodrill Limited	Geodrill Limited, together with its subsidiaries, provides mineral exploration drilling services to mining companies in West Africa, Zambia, and Peru. It offers reverse circulation, core, air-core, deep directional, reverse circulation grade control, water borehole, underground, mine blast hole, and horizontal drilling services. The company operates a fleet of multi-purpose, core, air-core, grade control, and underground drill rigs; boosters and auxiliary compressors; and various support vehicles, such as pick-up, MAN, and other trucks, as well as purpose-built crawler-mounted support vehicles and bell tractors. As of December 31, 2020, it operated a fleet of 68 drill rigs. The company was incorporated in 1998 and is headquartered in Douglas, Isle of Man.
ASX:SWK	Swick Mining Services Limited	Swick Mining Services Limited, together with its subsidiaries, provides mineral drilling services to the mining industry in Australia, North America, Europe, and the Asia Pacific regions. The company offers services primarily in the areas of underground diamond drilling and surface reverse circulation drilling. It also carries out research and development activities in mineral analysis technologies. The company was incorporated in 2005 and is headquartered in South Guildford, Australia.

Ticker	Company name	Business description
ASX:PRN	Perenti Global Limited	Perenti Global Limited operates as a mining services company worldwide. It operates through surface mining, underground mining, and investment segments. The surface mining segment offers exploration drilling, production drilling, blasting, and geotechnical services, as well as end-to-end contract surface mining; and logistics management and moving mining equipment and goods. The underground mining segment provides underground mining services specialising in mine development, production, diamond drilling, vertical development, design planning and scheduling, and equipment supply and maintenance. The investments segment is involved in mining supplies, and products and services, including equipment rental, equipment parts and sales, and energy drilling and mineral analysis. The company was formerly known as Ausdrill Limited and changed its name to Perenti Global Limited in October 2019. Perenti Global Limited was founded in 1987 and is headquartered in Perth, Australia.
LSE:CAPD	Capital Limited	Capital Limited, together with its subsidiaries, provides various drilling solutions to customers in the minerals industry. It offers exploration drilling services, including air core, reverse circulation, diamond core, deep hole diamond, directional, and underground diamond drilling; mineral geochemical analysis laboratory services; and grade control drilling services, such as advanced/deep grade control, shallow grade control, reverse circulation, and underground diamond drilling. The company also provides blast hole drilling services that include pre-splits, down the hole, and rotary top hammer services; load and haul, rehandling, equipment hire and maintenance, and management services; and hydraulic, general maintenance and fabrication, mining supplies, asset rentals, and asset and component rebuild services. In addition, it offers de-watering, reverse circulation, core orientation, rig alignment, borehole management, geophysical logging, and magnetic survey cameras. Further, the company provides equipment rental and IT support services. It also operates fleet of 99 rigs, including 34 diamond core rigs, 4 air core rigs, 20 reverse circulation/grade control rigs, 32 blast hole rigs, and 9 underground rigs. The company was formerly known as Capital Drilling Limited and changed its name to Capital Limited in June 2020. Capital Limited was founded in 2004 and is headquartered in Ebene, Mauritius.
ASX:AJL	AJ Lucas Group Limited	AJ Lucas Group Limited, together with its subsidiaries, provides drilling services in Australia. The company operates in two segments: drilling, and oil and gas. The drilling segment offers drilling services primarily to the coal and coal seam gas industries for the degasification of coal mines and associated services, as well as commercial extraction of gas. This segment also provides a range of engineering services, including design of wells, drilling optimisation, professional steering services, and specialised equipment for directional drilling programs. The oil and gas segment engages in the exploration, development, and commercialisation of unconventional and conventional hydrocarbons in the United Kingdom. It serves energy, mining, and infrastructure sectors. The company was incorporated in 1993 and is headquartered in North Sydney, Australia. AJ Lucas Group Limited is a subsidiary of Kerogen Investments No. 1 (HK) Limited.
ASX:MSV	Mitchell Services Limited	Mitchell Services Limited, together with its subsidiaries, provides exploration and mine site drilling services to the exploration, mining, and energy industries, primarily in Australia. It offers coal exploration, mineral exploration, mine services, large diameter, coal seam gas, directional drilling services, coal mine gas drainage, and wireline services. The company was formerly known as Drill Torque Limited and changed its name to Mitchell Services Limited in December 2013. Mitchell Services Limited was founded in 1969 and is headquartered in Seventeen Mile Rocks, Australia.
TSX:MDI	Major Drilling Group International Inc.	Major Drilling Group International Inc. provides contract drilling services for mining and mineral exploration companies in Canada, the United States, Mexico, South America, Asia, Africa, and Europe. The company offers a suite of drilling services, including surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and various mine services. As of July 31, 2020, it had 613 drill rigs. The company was founded in 1980 and is headquartered in Moncton, Canada.

Source: S&P CapitalIQ

Selection of comparable listed companies

I provide comments on the comparable listed companies I have selected below.

Orbit Garant Drilling Inc (“Orbit”)

Orbit is a Canadian company which has a reporting date of 30 June. Orbit reports in \$.

Orbit provides mineral drilling services in Canada, the United States, South America, and West Africa. It provides underground and surface diamond drilling services to mining companies through various stages of mineral exploration, mine development, and production.

I have selected Orbit as a comparable company because²⁹:

- It has similar operations to the Group, being drilling services;
- In FY20 it reported approximately 80% of revenue as being generated in Canada; and
- In FY20 it reported 66% of revenue from the gold mining segment.

Similar to the Group, Orbit’s revenue decreased in FY19 and FY20.

- The decrease in FY19 was primarily attributable to a decline in metres drilled by Orbit, the conclusion of a large drilling contract in Chile during the third quarter of FY19, and the conclusion of an additional multi-year drilling contract in Chile at the beginning of the fourth quarter of FY19³⁰.
- The decrease in FY20 was primarily attributable to a decline in drilling activities in Canada and internationally due to the impact of the COVID-19 pandemic starting in mid-March 2020³¹.

Orbit is forecast to have an increase in revenue by 4% in FY21 and 13% in FY22, compared to the Group, which is forecasting an approximately 30% increase in FY21 and a smaller increase in FY22.

Orbit’s higher multiples in FY20 and LTM reflect its lower EBITDA due to COVID-19. The lower forecast multiples reflect higher EBITDA in the LTM and forecast across FY21 and FY22.

I note Paradigm Capital increased their target price estimate for Orbit from CAD1.75 to CAD2.00, adopting a projected FY22 EBITDA multiple of 6.0 times. This reflects Orbit’s improved outlook, with Orbit well positioned to take advantage of the accelerating demand environment (particularly in West Africa and Chile).

I have not presented a FY19 multiple because Orbit did not report their FY19 results under IFRS 16.

Foraco International SA (“Foraco”)

Foraco is a Canadian company which has a reporting date of 31 December. Foraco reports in \$.

Foraco is highly comparable to the Group because it generates approximately 30% of its income from the gold mining industry and is based in North America.

Foraco reported a 14.1% increase in revenue in FY19 and 0.8% increase in FY20. Revenue increased in FY19 due to higher rigs utilisation rate (48% in FY19 compared to 45% in FY18) mainly due to increase in activity Australia, Brazil and Russia³².

According to Foraco, the impact of COVID-19 on the Q2 2020 revenue was uneven between regions³³.

²⁹ Orbit FY20 Annual Report

³⁰ Orbit Garant Drilling Fiscal 2019 Fourth Quarter and Year-End Financial Results

³¹ Orbit Garant Drilling Fiscal 2020 Fourth Quarter and Year-End Financial Results

³² Foraco International Q4 2019 Financial Results

³³ Foraco International Unaudited Financial Results Q2 2020 Press Release

- The pandemic affected revenue in certain important operation centres, particularly in North and South America but stronger revenues were recorded in other regions;
- Overall, revenue of the period amounted to \$47.4 million compared to \$54.1 million in Q2FY19, a decrease of 12%, but the Q2FY20 revenue decrease, excluding the impact of exchange rate movements was only 3%.
- This trend is confirmed by the rigs utilisation rate which remained relatively stable at 47% in Q2FY20 compared to 50% in Q2FY19.

S&P CapitalIQ reports no forecasts for Foraco. I am unable to compare the growth outlook for the Group against Foraco.

Geodrill Limited (“Geodrill”)

Geodrill is a Canadian company which has a reporting date of 31 December. Geodrill reports in \$.

Geodrill provides mineral exploration drilling services to mining companies in West Africa, Zambia, and Peru. It offers reverse circulation, core, air-core, deep directional, reverse circulation grade control, water borehole, underground, mine blast hole, and horizontal drilling services.

I have selected Geodrill as a comparable company because it provides drilling services for exploration companies. Additionally, the majority of its income is from gold (approximately 95%).

Unlike the Group, the majority of its revenue is from Africa and South America, whereas the Group’s largest regions are North America and Asia Pacific.

Geodrill has a similar revenue growth pattern to the Group:

- Revenue decreased by 6% in FY20. According to Geodrill, the first quarter of FY20 was extremely slow as Geodrill entered the year with Burkina Faso still not operating at full capacity due to the November 2019 militant attack which caused one of their larger clients to curtail their drilling activities during the first quarter of FY20. Furthermore, towards the end of first quarter of FY20, COVID-19 impacted the Group as certain jobs and rigs paused as a result of uncertainty relating to the global COVID-19 pandemic³⁴.
- The consensus broker forecast is for revenue to increase by approximately 30% in FY21 and 7% in FY22, whereas the Group is projecting revenue to increase by approximately 30% in FY21 and an approximately similar amount to Geodrill in FY22.

I note that Beacon Securities Limited increased their target price estimate of Geodrill from CAD2.90 to CAD4.00. In their analysis of Geodrill, Beacon Securities³⁵:

- Consider Geodrill will experience growth, post record results and successfully diversify its business from West Africa/gold with early success in South America; and
- Refer to a historical valuation range during an upcycle of 4 to 5 times EBITDA, which is materially similar to the multiple in FY19 prior to COVID-19.

Swick Mining Limited (“Swick”)

Swick is an Australian company which has a reporting date of 30 June. Swick reports in A\$.

Swick provides mineral drilling services to the mining industry in Australia, North America, Europe, and the Asia Pacific regions. Swick generates the majority of its revenue in Australia (approximately 70% in FY20), whereas the Group’s largest region is North America.

³⁴ Geodrill Limited Management’s Discussion and Analysis for the Year Ended 31 December 2020

³⁵ Beacon Securities Limited, Geodrill Limited, 12 May 2021

Swick offers services primarily in the areas of underground diamond drilling and surface reverse circulation drilling. It also carries out research and development activities in mineral analysis technologies.

I have selected Swick as a comparable company because:

- Over 95% of its revenue in FY20 relates to drilling services; and
- Gold accounted for approximately 65% of revenue in FY20.

Whilst the Group incurred year on year revenue declines in FY19 and FY20, Swick had modest revenue growth of 4.3% and 4.9% respectively. Revenue growth was supported from expanded drilling business contracts secured in early FY20³⁶.

Similar to the Group, margins decreased in FY20, with the reduction reflecting the impact from COVID-19 and ramp up costs from the significant Pogo contract in Alaska at the start of the year.

S&P CapitalIQ reports no forecasts for Swick. I am unable to compare the growth outlook for the Group against Swick.

Perenti Global Limited (“Perenti”, formerly Ausdrill)

Perenti is an Australian company which has a reporting date of 30 June. Perenti reports in A\$.

Perenti provides a range of services to mining companies, including exploration drilling, mineral analysis, water well drilling and mining logistics services.

I have included Perenti as a comparable company because³⁷:

- It operates in the drilling services segment of the mining industry. In FY20 over 90% of revenue related to surface and underground mining; and
- The majority of its revenue in FY20 related to gold (approximately 70%), which is similar to the Group (67%). It however only generated 3% of revenue in FY20 from copper (whereas the Group reported approximately 17%).

Unlike the Group, Perenti:

- Does not report significant revenue in North America. In FY20, Perenti reported 44% of revenue from Australia, 19% from Ghana and 14% from Burkina Faso³⁸.
- Experienced significant growth in revenue and EBITDA margin in FY19 and FY20. In FY20 growth was driven by new project wins including their first major project in North America, and a A\$200 million contract win with Barrick at their Hemlo project in Canada³⁹.
- Is forecast to experience a revenue decrease in FY21 and a slight increase in FY22, whereas the Group is forecasting an approximately 30% increase in revenues in FY21.

The lower forecast multiples in FY22 and FY23 reflect growth in EBITDA.

Whilst comparable, Perenti has a different growth profile to the Group (both historical and forecast) as shown in Table 22. In FY19 Perenti’s revenue grew by 85%, primarily due to the acquisition of Barmenco.

Capital Limited (“Capital”)

Capital is a UK-based company which has a reporting date of 31 December. Capital reports in \$.

³⁶ Swick Mining Services AGM Presentation, 6 November 2020

³⁷ Perenti FY20 Annual Report

³⁸ Ibid

³⁹ Perenti ASX Announcement, 24 August 2020

Capital provides various drilling solutions to customers in the minerals industry, offering: exploration drilling services, including air core, reverse circulation, diamond core, deep hole diamond, directional, and underground diamond drilling; mineral geochemical analysis laboratory services; and, grade control drilling services, such as advanced/deep grade control, shallow grade control, reverse circulation, and underground diamond drilling.

I have selected Capital as a comparable listed company because it has similar operations to the Group, being drilling services for exploration companies. In FY20, 87% of its revenue was from drilling activities. Capital is also heavily dependent on the gold mining industry⁴⁰.

Unlike the Group, the majority of Capital's revenue is derived from:

- Tanzania and West Africa⁴¹, whereas the Group's largest region is North America; and
- Capital reported 3% of revenue from exploration, whereas the Group generates the majority of its revenue from development (near mine/brownfield).

Unlike the Group, Capital increased revenue in FY20 by approximately 18%, as a result of new contract start-ups and improved revenues at MSALABS, attributed to their continued growth in Africa⁴². Capital is forecast to increase revenue by a further 42% in FY21 and a further approximately 19% in FY22.

AJ Lucas Limited ("AJ Lucas") and Mitchell Services Limited ("Mitchell Services")

Whilst AJ Lucas and Mitchell Services are also ASX listed companies, they generate the majority of their revenue from the coal mining industry and from sources in Australia, whereas the Group generates approximately 85% of revenues from the gold and copper mining industries and 44% of revenue in North America.

As a result, I have placed less emphasis on AJ Lucas and Mitchell Services in selecting an EBITDA multiple for the Group as neither are particularly comparable by either geographic operations or commodity exposures.

Major Drilling Group ("Major")

Major is a Canadian company which has a reporting date of 30 April. Major reports in CAD.

Major is one of the world's largest drilling services firms, with operations around the globe. Geographically, it is well diversified, with approximately half of its FY20 revenues coming from Canada and the USA and the remaining split evenly between South & Central America, and Asia & Africa. Gold and copper drilling contribute approximately 75% of Major's revenue.

Major is highly comparable to the Group as:

- Approximately 75% of revenue in FY20 was related to gold and copper (the Group reported approximately 85%)⁴³; and
- It has similar geographical locations to the Group – the majority of revenue is from North America (50% in FY20)⁴⁴.

Whilst the Group has higher revenue and earnings than Major, Major's market capitalisation is considerably larger than the Group's and the other selected comparable listed companies. For instance, it reported a market capitalisation of CAD859 million and FY20 EBITDA of CAD48.2 million. The higher market capitalisation and lower earnings results in multiples significantly larger than the other comparable listed companies.

⁴⁰ Proactive Investors, 20 August 2020

⁴¹ Capital 2020 Annual Results, 18 March 2021

⁴² Capital FY20 Annual Report, page 26

⁴³ Major Drilling Group FY20 Annual Report

⁴⁴ Ibid

According to analyst reports, Major trades well above its peers due to its strong balance sheet, geographic diversity, and lower exposure to cyclical revenue streams. This is reflected in the implied multiples of 16.8 times LTM EBITDA, which is considerably greater than the other selected comparable listed companies.

Given the fact that Major appears to be an outlier in terms of market multiples compared to its peers, I have not relied on the earnings multiples of Major.

Appendix J: Industry and economic background

Drilling services and products industry

The Group provides various drilling services and products to mining companies involved in the following stages of the mining cycle:

- **Exploration:** This is the earliest stage of mining cycle. Drilling is used to identify and define mineral deposits by penetrating the underlying rock to extract samples for analysis;
- **Development:** Drilling is used to outline the precise location of a mineral deposit; and
- **Production:** Once a mine is operating, drilling is required over the life of the mine to further define the boundaries of the mineral deposit for planning and quality control purposes.

As per Table 44 below, 58% of the Group's revenue is derived from customers in the development stage of the mining cycle.

Table 44: Drilling Services revenue by stage

%	FY17A	FY18A	FY19A	FY20A
Development (near mine/brownfield)	57%	59%	58%	58%
Production (in-pit)	24%	21%	23%	24%
Exploration (greenfield)	10%	13%	12%	13%
Non-mining	9%	7%	7%	5%
Total	100%	100%	100%	100%

Source: the Group's annual reports

Mineral exploration/mining companies have an ongoing requirement to drill, and typically use drilling services providers.

As per Table 45 below, the Group's revenues are generated from customers involved in mining various resources, with a high concentration in gold and copper, accounting for approximately 84% of FY20 revenues.

Table 45: Drilling Services revenue by commodity

%	FY17A	FY18A	FY19A	FY20A
Gold	54%	53%	63%	67%
Copper	20%	21%	18%	17%
Other metals	3%	4%	5%	6%
Non-mining water	4%	7%	7%	4%
Energy	4%	5%	3%	4%
Nickel	6%	5%	2%	1%
Iron	4%	3%	1%	-
Other	5%	2%	1%	1%
Total	100%	100%	100%	100%

Source: the Group's annual reports

Determinants of demand

Demand for drilling products and services are closely related to the underlying performance of the resource industry. There is a positive relationship, where increased activity in exploration markets/mining leads to increased demand for exploratory drilling, development, and production services.

Other key external drivers include:

- **Commodity prices:** Demand for drilling services is positively related to higher commodity prices, that is, higher commodity prices increase the incentive for mineral mining companies to explore for potential resources (and engage drilling companies) and develop mines; and
- **Capital expenditure on mining:** Mining companies require a range of drilling services when expanding operations and establishing new mining projects. Demand for drilling services is positively related to increased capital expenditure of mining companies.

Revenue volatility

Volatility is high due to the high variability of commodity prices and markets. Drilling services for greenfield mineral exploration is subject to the additional risk that new unproven sites will not become economically viable resource deposits.

Competition

According to IBISWorld⁴⁵:

- Competition is at a medium level, and steady, in the industry:
 - Internally, companies compete with each other on price, and the technical knowledge and skill that exploration drillers provide; and
 - Externally, mining companies can also use their own exploration drilling services.
- Barriers to entry are also at a medium level, and steady, and include:
 - High capital expenditure requirements;
 - Significant levels of regulation;
 - The need for a highly skilled labour force; and
 - Existing relationships and contracts locked in by larger, more established players.

Capital intensity

The level of capital intensity is high with participants investing in a range of capital machinery and equipment (including drills, trucks and other specialised equipment)⁴⁶.

Industry trends

Impact of COVID-19

In its FY20 annual report, the Group stated:

“The exploration market, mining market, and construction market were materially impacted by the COVID-19 pandemic in 2020. The [Group] saw a decline in global customer activities due to government-imposed closures and customers choosing to reduce exposure across their operations by delaying new projects.”

COVID-19 resulted in significant changes to the volatility, prices and demand of commodities and capital expenditure budgets of companies across the sector. According to S&P Market Intelligence⁴⁷:

- Industrial metals prices trended lower through the first three months of 2020 as COVID-19 restrictions globally impacted industrial activity.

⁴⁵ IBISWorld - Oil and Mineral Exploration Drilling in Australia – Report #OD5427, August 2020, pages 9 and 38

⁴⁶ Ibid, page 36

⁴⁷ S&P Global: World Exploration Trends March 2021, page 5

- By early April, however, prices had begun rising on the back of resurging Chinese demand, as a squeeze on global supply and a weakening USD helped drive prices to multi-year highs in the second half and in the early months of 2021.

S&P Global Market Intelligence's survey of approximately 2,500 companies in 2020⁴⁸ reported a:

- 10% decrease in global aggregate nonferrous budgets to \$8.3 billion; and
- 11% decrease in global budgets to an estimated \$8.7 billion from \$9.8 billion in 2019.

Base metals have recovered to pre-COVID-19 levels, largely due to the Chinese economic rebound as well as markets anticipating vaccine rollouts⁴⁹.

Capital raising and expenditure⁵⁰

In 2019, exploration budgets decreased due to poor price performance by most metals early in the year and a slowdown in financing activity. There was an upward trend towards the end of 2019 in precious metals prices, while base metals prices stabilised which coincided with increased market activity.

However, during the early part of 2020, capital expenditure and capital raisings were postponed due to remaining economic uncertainty following the COVID-19 outbreak and associated investor caution and the rapid fall in base metals prices. \$601.4 million was raised globally for exploration in Q1 2020, which was significantly below the \$862.8 million raised in Q4 2019, but approximately double the low recorded in Q1 2019. In 2020, only gold and silver posted year-on-year increases in exploration, while industrial metals declined, led by copper, zinc, lithium, and cobalt.

Towards the end of 2020, financings recovered sharply. Junior and intermediate companies were successful in raising funds in 2020, with \$11.2 billion raised globally in the year (across all stages), which was the highest total since 2012. The bulk of funds were raised on the Toronto Stock Exchange (\$5.5 billion) and ASX (posting a record-setting year at \$4.3 billion). The number of active explorers increased 3%, primarily targeting gold.

According to S&P Market Intelligence, there has been a shift of focus from exploration at early-stage assets to advanced and mine site assets, in particular during downturns, due to⁵¹:

- Juniors opting to spend scarce funding on proven assets rather than on riskier early-stage exploration; and
- Majors focus on maximising value at their existing mines.

In 2020, this trend continued as existing mine site exploration proved resilient, dropping by only 4% despite COVID-19-driven uncertainty:

- Mine site exploration accounted for 41% of the global budget (a second consecutive all-time high); whilst
- Grassroots and late-stage budgets declined by 19% and 10% respectively from 2019.

According to S&P Market Intelligence⁵²:

- While explorers remain risk-averse and have a preference of exploring more promising advanced projects, existing mines large-scale grassroots programs will be more difficult to conduct than more concentrated mine site exploration;
- There have been fewer initial resource announcements as a consequence of moving away from grassroots exploration:

⁴⁸ S&P Global: World Exploration Trends March 2021, page 6

⁴⁹ Resources and Energy Quarterly – Office of the Chief Economist, March 2021

⁵⁰ S&P Global: World Exploration Trends 2021

⁵¹ Ibid

⁵² Ibid

- There were 52 initial resources recorded in 2020 (a five-year low and significantly less than the 10-year high of 175 new deposits in 2012, when grassroots exploration comprised around one-third of exploration budgets);
 - From 2016 to 2020 there was an average of 65 initial resources, approximately one-third less than the average of 91 from 2011 to 2015; and
 - Major discovery rates for gold and copper deposits have also fallen drastically over the past 10 years, compared 2000 to 2010.
- The lack of grassroots exploration could negatively impact future production. This has resulted in some governments providing incentive programs to increase domestic exploration. The impact could be that explorers and producers focus their efforts on finding new discoveries at grassroots projects over the coming years, as metals prices are forecast to rise while the project pipeline narrows.

Gold was the top exploration commodity in 2020, with a 17% increase in the number of projects drilling and a 19% increase in the number of holes drilled⁵³. The gold drilling increase was mainly at late-stage and mine site projects and the drilling increase reflects⁵⁴:

- Companies' ability to conduct focused drilling on late-stage and mine site targets during the pandemic instead of large-scale, early-stage regional programs; and
- Miners' focus on advanced projects to take advantage of gold's rising price.

Figure 8 below shows gold production and exploration expenditure, which suggests increased mineral exploration expenditure may be required for the anticipated growth in production.

Figure 8: Gold production and exploration expenditure – 2012A to 2022F



Source: S&P Global Market Intelligence

Gold represented approximately 67% of the Group's drilling services revenue in FY19 and FY20. The Group's revenue and earnings are sensitive to the demand and price for gold.

Gold is a safe-haven asset. The demand for gold is generally inversely correlated to global economic health. Economic uncertainty due to COVID-19 resulted in increased demand for safe-haven assets, with gold prices increasing sharply in 2020.

⁵³ S&P Global: World Exploration Trends 2021

⁵⁴ Ibid

According to IBISWorld⁵⁵:

- Rising gold prices following the outbreak of COVID-19 is anticipated to support demand; and
- COVID-19 related supply disruptions in Brazil have supported demand for Australian iron ore, while economic uncertainty has increased investor demand for safe-haven assets, such as gold.

Figure 9: Historical gold prices – January 2018 to May 2021



Source: Bloomberg

I make the following comments in relation to Figure 9 above:

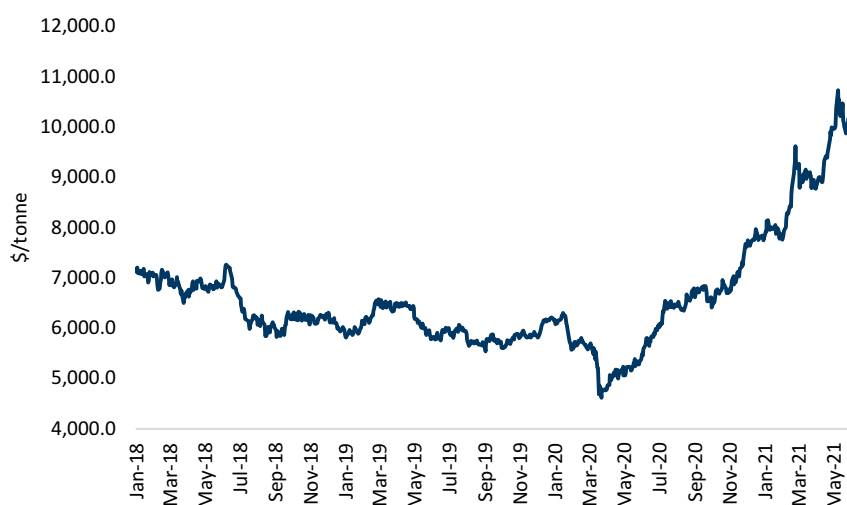
- Gold prices currently remain historically high at approximately \$1,830 an ounce in May 2021, with a record of \$2,064 an ounce on 6 August 2020;
- The London Bullion Market Association gold price averaged \$1,805 an ounce in 2020, a 26% increase from 2019; and
- According to the Office of the Chief Economist (in March 2021), gold prices have declined from the peak of August 2020 following an increase in USA real bond yields and investment cash flows being directed to COVID-19 vaccines rather than precious metals⁵⁶.

In addition to Gold, the Group’s revenue and earnings are sensitive to the demand and price for copper. Copper represented approximately 17% of the Group’s drilling services revenue in FY19 and FY20.

⁵⁵ IBISWorld - Oil and Mineral Exploration Drilling in Australia – Report #OD5427, August 2020, page 22

⁵⁶ Resources and Energy Quarterly – Office of the Chief Economist, March 2021, page 9

Figure 10: Historical copper prices – January 2018 to May 2021



Source: Bloomberg

I make the following comments in relation to Figure 10 above:

- Prices increased towards the end of 2020 and into early 2021 after a significant decline from March 2020 due to COVID-19;
- According to the London Metal Exchange (“LME”) the copper spot price averaged \$6,200 a tonne in 2020, 3% higher than 2019;
- Copper prices increased in the March 2021 quarter due to the positive sentiment around vaccine rollouts and the world economic recovery; and
- According to the Office of the Chief Economist (in March 2021), the LME copper spot reached its highest point in over a decade in February 2021 (exceeding \$9,000 a tonne), amid a weaker USD and strong consumption expectations⁵⁷.

Outlook

The following market indicators support increased demand for mining companies looking to increase exploration and production, and in turn, the demand for drilling services.

Outlook for gold and copper

Exploration and mining expenditure are highly exposed to expectations of future commodity prices.

⁵⁷ Resources and Energy Quarterly – Office of the Chief Economist, March 2021, page 124

Table 46: Gold outlook

Item	Forecast (F)				Projection (Z)			CAGR (%) ⁵⁸
	2020A	2021F	2022F	2023F	2024Z	2025Z	2026Z	
Fabrication (tonnes)	1,714	2,090	2,308	2,515	2,681	2,835	2,973	9.6%
Total demand (tonnes)	3,760	4,080	4,259	4,566	4,784	4,991	5,162	5.4%
Mine production (tonnes)	3,401	3,588	3,696	3,769	3,807	3,777	3,746	1.6%
Price – nominal (\$/oz)	1,770	1,703	1,554	1,467	1,405	1,377	1,350	(4.4%)
Price – real (\$/oz)	1,805	1,703	1,522	1,405	1,315	1,260	1,208	(6.5%)

Source: Resources and Energy Quarterly – Office of the Chief Economist (March 2021)

The real price of gold is projected to fall from \$1,703 to \$1,208 an ounce across 2021 to 2026⁵⁹.

According to the Office of the Chief Economist (in March 2021)⁶⁰:

- Global gold consumption is forecast to increase by 8.5% to 4,080 tonnes in 2021, as lower gold prices and the roll-out of COVID-19 vaccines help to support the sale of gold jewellery; and
- Demand from China is expected to pick up, as price-sensitive Chinese consumers react to price reductions.

Table 47: Copper outlook

Item	Forecast (F)				Projection (Z)			CAGR (%) ⁶¹
	2020A	2021F	2022F	2023F	2024Z	2025Z	2026Z	
Production – mine (kt)	20,761	22,131	23,238	24,307	24,525	24,648	24,771	3.0%
Production – refined (kt)	24,134	25,292	26,026	26,572	27,130	27,537	27,978	2.5%
Consumption (kt)	24,213	25,459	26,110	26,662	27,044	27,608	28,031	2.5%
Closing stocks (kt)	1,315	1,148	1,064	975	1,060	989	936	(5.5%)
Weeks of consumption	3	2	2	2	2	2	2	n/a
Price LME – nominal (\$/t)	6,169	8,258	8,056	7,724	8,093	8,672	8,877	6.3%
Price LME – nominal (c/lb)	280	375	365	350	367	393	403	6.3%

Source: Resources and Energy Quarterly – Office of the Chief Economist (March 2021)

The price of copper is forecast to increase to an average \$8,260 a tonne in 2021, before stabilising around a projected \$7,940 a tonne (in real terms) in 2026.

Capital expenditure

According to the Group, improving cash and balance sheet strength of key customers (due to capital raisings and lower expenditure in 2020) will underpin growth.

According to S&P Market Intelligence, capital expenditure for exploration and drilling is forecast to increase due to increased capital raisings, noting the number of financings more than doubled in 2020 while drilling activity was up marginally, and there is usually a delay between funds being raised and the funds put to use⁶². Capital expenditure is

⁵⁸ Compound annual growth rate (per cent), for the period from 2020 to 2026, or from 2019–20 to 2025–26

⁵⁹ Resources and Energy Quarterly – Office of the Chief Economist, March 2021

⁶⁰ Ibid, page 98

⁶¹ Compound annual growth rate (per cent), for the period from 2020 to 2026, or from 2019–20 to 2025–26

⁶² S&P Global: World Exploration Trends 2021

also forecast to increase due to higher metal prices and a persistent lack of project pipeline investment, which should stimulate an increase in exploration⁶³.

Recovery from COVID-19

According to Kevin Murphy, Principal Analyst, S&P Global Market Intelligence⁶⁴:

“The industry optimism in late 2019 was wiped out by the global pandemic, but the quicker-than-expected recovery for the mining industry bodes well for 2021.”

Other factors

In its FY20 annual report, the Group considers that reduced reserve to production ratios at many gold mines and diminishing opportunities for major producers to replace reserves through acquisition will underpin growth in exploration drilling services.

According to IBISWorld, mining companies are expected to outsource exploration drilling to drilling services firms across the next five years. The volume of exploration contract work is predicted to exceed its capacity for this period, potentially allowing the negotiation of higher prices for drilling services companies.

⁶³ S&P Global: World Exploration Trends 2021, page 2

⁶⁴ Ibid

Appendix K: Company background

The information contained within Appendix K has been predominantly compiled from the Group's annual reports.

Segments

The Group operates two distinct segments throughout various geographical locations, namely Drilling Services and Products, which includes Geological Data Services.

Drilling Services

The Group performs various types of drilling services within the mining and minerals industry. Contracts entered into with customers incorporate services which involve different processes and continuous drilling services activities in a sequential set of mobilisation, drilling, and demobilisation activities which are invoiced to the customer as those activities progress. These processes and activities are highly inter-related, and the Group provides a significant service of integration of such activities. Where this is the case, these activities and processes are accounted for as one performance obligation.

Revenue from services rendered is recognised in the statement of profit and loss and other comprehensive income over time. The Group has a contractual right to consideration from a customer for an amount that corresponds directly with the value to the customer of the performance completed to date (for example, number of metres drilled). As a result, the Group applies the practical expedient under AASB 15 paragraph B16 to recognise revenue at the amount which it has the right to invoice.

Customers are generally invoiced on a fortnightly basis and revenue is recognised in the accounting period in which the right to invoice is obtained. Payment is received following invoicing according to standard payment terms, which are generally between 30 to 60 days. There are no significant financing components. Most drilling services contracts do not include variable payment terms. Where variable payment terms exist, these are usually in the form of penalties for late completion. Variable consideration is only recognised to the extent that it is considered highly probable that such amounts will not reverse in the future and is estimated using the expected value approach.

The Group's mining and exploration activities span a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals.

A split of the Group's Drilling Services revenue by commodity is set out below:

Table 45: Drilling Services revenue by commodity

%	FY17A	FY18A	FY19A	FY20A
Gold	54%	53%	63%	67%
Copper	20%	21%	18%	17%
Other metals	3%	4%	5%	6%
Non-mining water	4%	7%	7%	4%
Energy	4%	5%	3%	4%
Nickel	6%	5%	2%	1%
Iron	4%	3%	1%	-
Other	5%	2%	1%	1%
Total	100%	100%	100%	100%

Source: the Group's annual reports

Table 45 above indicates that over 80% of Drilling Services revenue was derived from gold and copper projects in both FY19 and FY20.

The majority of revenue for both Drilling Services and Products is derived from providing drilling services and products to the mining industry and is dependent on global mineral exploration, development, and production activities. A split of the Group's Drilling Services revenue by stage is set out below:

Table 44: Drilling Services revenue by stage

%	FY17A	FY18A	FY19A	FY20A
Development (near mine/brownfield)	57%	59%	58%	58%
Production (in-pit)	24%	21%	23%	24%
Exploration (greenfield)	10%	13%	12%	13%
Non-mining	9%	7%	7%	5%
Total	100%	100%	100%	100%

Source: the Group's annual reports

Products

The Group manufactures, distributes and sells equipment that is necessary for the mining and mineral industry. Sales orders are completed across multiple geographies for products, such as large drill rigs, and drilling components, such as bits and coring rods.

According to the Group's FY20 annual report:

- Each product promised to the customer is distinct under the contract and gives rise to a separate performance obligation;
- Revenue is recognised when control of the products has transferred to the customer;
- Transfer of control happens at the point the products are delivered to the customer for drilling rigs and at the point the products are shipped to the customer's specific location for drilling components;
- The transaction price is allocated to each product on stand-alone basis. Payment is received following invoice according to standard payment terms, which are generally between 30 to 60 days; and
- There are no significant financing components and there is no significant reversal of variable consideration expected at the point of revenue recognition.

Regions

A split of the Group's revenue by region is shown below:

Table 21: Group revenue by region

%	FY17A	FY18A	FY19A	FY20A
North America	45.8%	45.9%	45.8%	44.3%
ASIA Pacific	21.2%	21.9%	23.1%	25.9%
Latin America	14.7%	14.3%	13.1%	10.2%
EMEA	18.3%	17.9%	18.0%	19.5%
Total	100.0%	100.0%	100.0%	100.0%

Source: the Group's annual reports

The Group generates most of its revenue in North America.

Customer contracts

According to the Group's FY20 annual report:

- Approximately 89% of Drilling Services' revenue for FY20 was derived from major mining companies, including AngloGold Ashanti, Barrick, Newmont, and Rio Tinto; and
- The top 10 Drilling Services customers represented approximately 52% of the segments' revenue in FY20, with no single contract contributing more than 10% of consolidated revenue.

This indicates that the Group has both a stable and diversified customer base.

Previous restructurings of the Group

FY15 restructure

The Group was adversely impacted by from financial difficulties over a number of years, culminating in a financial restructuring in FY14 and FY15. On completion of that restructuring, Centerbridge became the Group's largest shareholder with 48.9% of shares and the Group had the following financial indebtedness:

- \$195.0 million senior secured notes due 1 October 2018, 10% interest rate (SSNs);
- \$120.0 million term loan A due October 2020, 12% interest rate (TLA);
- \$105.0 million secured term loan B due 1 October 2018, 12% interest rate (TLB); and
- \$284.0 million unsecured notes due 1 April 2021, 7% interest rate (SUNs).

The maturity dates for the TLA and TLB were subsequently extended to 3 January 2021.

FY17 scheme of arrangement

Despite the FY15 restructure, the Group continued to suffer losses and defaulted on interest payments under the SSNs on 1 April 2017. The Group therefore pursued a further restructuring, announcing its entry into a Restructuring Support Agreement ("2017 RSA") with some of its largest creditors, including Ares, Ascribe and Centerbridge on 3 April 2017.

Centerbridge was the sole lender under the TLA and Centerbridge, Ares and Ascribe held significant percentages of the SSN debt.

The Group's restructuring plan involved the RSA and two creditors' schemes of arrangements:

- The FY17 'Unsecured Creditors' Scheme'; and
- The FY17 'Secured Creditors' Scheme'.

This restructuring detailed in the 2017 RSA was effected in August 2017 and resulted in the following:

- \$196.0 million of the SUNs were to be exchanged for 42% of the Group's post-restructuring equity;
- The remaining \$88.0 million of SUNs were to be reinstated with an interest rate of 1.5%;
- The holders of the SSNs, and the holder of the TLA and TLB, would vote as a single class;
- The maturity dates of the TLA, TLB and SSNs were extended to 31 December 2022;
- Payments of interest on all facilities was converted to PIK until December 2018;
- The interest rate of the TLA and TLB was reduced from 12% to 10% in exchange for Centerbridge receiving 56% of the Group's post restructuring equity; and
- Centerbridge would also be granted the right to appoint five directors to the board of the Group and the holders of those instruments waived their rights in relation to any change of control event occurring as a result of the restructure.

Impact of COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. That same month, as a result of the COVID-19 pandemic, the Group implemented its business continuity plan. The Group's business continuity plan included:

- Measures required to protect the health and wellbeing of employees while ensuring the sustainability of ongoing operations;
- Transitioning of corporate and regional offices staff to 'working from home' arrangements; and
- Ceasing all non-essential international and domestic travel.

The plan also contained initiatives aimed at maintaining liquidity, including but not limited to, temporary salary reductions, and amending the terms of the Group's SSNs to satisfy interest payments due in respect of the notes on 30 June 2020 and 31 December 2020 by way of PIK rather than by payment in cash.

The exploration, mining, and construction markets were materially impacted by the COVID-19 pandemic in 2020. The Group saw a decline in global customer activities due to government-imposed closures and customers choosing to reduce exposure across their operations by delaying new projects.

While COVID-19 materially impacted normal operations for much of FY20, the strength in key commodity prices drove continued capital raisings in the mining space, with \$3.5 billion raised globally in Q3FY20, the strongest quarter in eight years. This is anticipated to drive exploration activity in the short term to medium term, particularly as current COVID-19 related restrictions are eased.

In addition, the recovery of China's economy is quickly driving demand for the key bulk commodities of copper, iron ore, and nickel, while gold prices continue to hold well above the all-in sustaining cost for major mines. Adding to the China-driven increases in demand are the twin emerging global trends of electrification of vehicle fleets and conversion to green energy, further supporting the prospects for sustained growth in copper, nickel, and lithium exploration and production over the coming years.

Historical financial performance

Summarised in Table 48 below is the financial performance of the Group for FY17 to FY20 based on the Group's audited statutory accounts:

Table 48: Statement of financial performance – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Net revenues	739.1	770.2	745.0	657.3
Cost of sales	(628.5)	(639.1)	(606.3)	(559.8)
Gross profit	110.6	131.1	138.7	97.5
Gross margin %	15.0%	17.0%	18.6%	14.8%
Other income	6.6	10.4	6.8	5.8
Operating expenses				
General & administrative	(152.9)	(80.6)	(83.0)	(69.8)
Sales and marketing expenses	(27.4)	(22.1)	(20.3)	(17.0)
Other expenses	(24.7)	(21.1)	(15.0)	(17.1)
EBIT	(87.7)	17.6	27.2	(0.7)
Interest income	1.8	0.9	0.1	0.0
Finance costs	(57.2)	(69.5)	(75.4)	(92.9)
PBT	(143.1)	(51.0)	(48.2)	(93.5)
Income taxes	(6.9)	7.5	(8.5)	(5.3)
NPAT	(150.0)	(43.5)	(56.6)	(98.8)
KPIs				
Revenue growth (%)	n/a	4.2%	(3.3%)	(11.8%)
Gross margin (%)	15.0%	17.0%	18.6%	14.8%
Reported EBITDA (\$'m)	(36.6)	54.1	66.5	40.3
Reported EBITDA margin (%)	(5.0%)	7.0%	8.9%	6.1%
Adjusted EBITDA	43.1	80.6	87.3	60.1
Adj. EBITDA margin (%)	5.8%	10.5%	11.7%	9.1%
EBIT margin (%)	(11.9%)	2.3%	3.6%	(0.1%)

Source: the Group's annual reports, FTI Consulting analysis. Note: minor differences exist between statutory accounts and management accounts

I make the following comments in relation to the table above:

- Revenue increased during FY18 (v.s. p.c.p.) as a result of higher volumes due to strengthening sentiment in the mining industry, resulting in improved spending on exploration and development;
- Revenue decreased during FY19 (v.s. p.c.p.) as H2FY19 saw several significant mergers and acquisitions within the mining industry, which in turn delayed mineral exploration projects and reduced overall market activity;
- Revenue decreased during FY20 by 11.8% or \$87.7 million, predominantly because of project cancellations, deferrals, and stoppages due to COVID-19. This also had an impact on the Group's earnings;
- Gross margin improved between FY17 and FY19 due to cost savings from various initiatives, but declined in FY20 due to the pause in activity levels related to COVID-19. The Group implemented a number of measures to somewhat offset the impact of the lower activity levels in FY20 across its operating regions globally;
- Other income primarily relates to gains on sale of assets;
- General and administrative expense in FY17 of \$152.9 million is materially higher than other years. This is primarily due to \$77 million of costs related to the recapitalisation and restructuring; and
- General and administrative expense decreased in FY20 as the Group implemented initiatives to reduce the workforce commensurate to the reduction in activity levels during COVID-19.

Historical financial performance by segment

Summarised in Table 49 below is the financial performance of the Group, as reported in the segment note to the audited statutory accounts, for FY17 to FY20:

Table 49: Segment financial performance – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Segment revenue				
Drilling Services	500.6	533.6	516.3	456.3
Products (excl. sales to Drilling Services)	238.5	236.6	228.7	201.0
Total revenue	739.1	770.2	745.0	657.3
Segment profit				
Drilling Services	36.4	57.1	58.3	8.5
Products (excl. sales to Drilling Services)	2.8	23.5	14.6	16.4
Total segment profit	39.2	80.6	72.8	24.9
Unallocated costs	(47.3)	(36.6)	(45.7)	(25.6)
Significant items	(79.7)	(26.5)		
EBIT	(87.7)	17.6	27.2	(0.7)
Net interest	(55.4)	(68.6)	(75.3)	(92.8)
PBT	(143.1)	(51.0)	(48.2)	(93.5)

Source: the Group's annual reports, FTI Consulting analysis

In the following paragraphs I provide commentary in relation to revenue and profitability of the Drilling Services and Products segments.

Segment revenue

The historical split of the Group's revenue by segment is shown below:

Table 50: Segment revenue – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Drilling Services	500.6	533.6	516.3	456.3
Products (excl. sales to Drilling Services)	238.5	236.6	228.7	201.0
Total	739.1	770.2	745.0	657.3
KPIs				
Drilling Services % of total revenue	67.7%	69.3%	69.3%	69.4%
Products % of total revenue	32.3%	30.7%	30.7%	30.6%
Drilling Services revenue growth (%)	n/a	6.6%	(3.2%)	(11.6%)
Products revenue growth (%)	n/a	(0.8%)	(3.3%)	(12.1%)

Source: the Group's annual reports, FTI Consulting analysis

Approximately 69% of the Group's revenue in FY20 was derived from Drilling Services, which is consistent with historical trends:

- In FY18, revenue increased by 6.6% primarily driven by volume (driven by Surface Coring and Underground Coring work in the Australia, EMEA, and LAM);
- In FY19, revenue declined by 3.2%. The revenue decrease was driven by volume, primarily due to existing customers cancelling or significantly reducing their programs. The reductions were not specific to a particular region, but several of the decreases were likely the result of M&A activity; and
- In FY20, revenue declined by 11.6%, driven by the COVID-19 pause through the second and third quarters as governments and customers restricted activities while developing safe work practices to protect employees from the transmission of COVID-19. Canada, Australia, Asia, and Africa recovered more quickly from COVID-19 restrictions than the United States, Chile, and Argentina. The majority of the year over year decrease in revenue is

attributable to these three countries. Prices remained relatively flat compared to the prior year and changes in foreign exchange rates resulted in a \$0.5 million decrease in revenue in FY20 compared to FY19.

Approximately 31% of the Group's FY20 revenue was derived from Products:

- In FY19, revenue declined by 3.3% due to revenues generated from coring tooling and production tooling becoming slightly weaker in 2019 relative to the prior period; and
- In FY20, revenue declined by 12.1%. Revenues generated from capital equipment, spares, and production tooling were the main drivers contributing to weaker revenue in FY20 relative to the prior period. The decrease in revenues across these product lines were primarily a result of decreased demand in the second and third quarters due to the COVID-19 pandemic which drove governments and customers to delay project activity while they implemented safe work practices to reduce the transmission of the COVID-19 virus.

The Products segment also made the following intercompany sales to the Drilling Services segment:

Table 51: Intercompany revenue – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Products sales to Drilling Services	54.5	56.0	56.9	56.4

Source: the Group's annual reports, FTI Consulting analysis

There is no formal contract in place between Products and Drilling Services. Drilling Services purchase items from Products at cost and contribute directly to any supply chain costs. The Group has a Master Distribution Agreement in place that governs its transfer pricing across the globe between manufacturing entities.

Segment profit

The historical split of the Group's segment profits and segment profit margins is shown below:

Table 52: Segment profit – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Drilling Services	36.4	57.1	58.3	8.5
Products	2.8	23.5	14.6	16.4
Total	39.2	80.6	72.8	24.9
KPIs				
Drilling Services % of total segment profit	92.8%	70.9%	80.0%	34.2%
Products % of total segment profit	7.2%	29.1%	20.0%	65.8%
Drilling Services segment profit margin (%)	7.3%	10.7%	11.3%	1.9%
Products segment profit margin (%)	1.2%	9.9%	6.4%	8.1%

Source: the Group's annual reports, FTI Consulting analysis

I make the following comments in relation to the Group's historical segment profit margins:

- Margins increased in FY18 due to disciplined cost control in both variable and fixed SG&A;
- In FY18 in Drilling Services, the Group has focused on improving meters per shift, and non-billable hours and revenue per shift, while reducing variable and fixed costs to maintain a flat cost structure as a percentage of revenue;
- In FY18 in Products, the Group operated manufacturing facilities at lean levels, only producing what was required to meet market demand;
- Drilling Services' segment profit margins in FY20 were significantly lower due to COVID-19. The segment was not able to reduce costs proportionately to the decrease in revenues; and

- Products' segment profit margins in FY20 increased to 8.1% as volume decreases were offset by disciplined cost control across both variable/fixed SG&A (including COVID-19 related payroll cost reductions) and materials cost savings.

Adjusted EBITDA

Summarised in Table 53 below is the Adjusted EBITDA reported by the Group in the audited statutory accounts for FY17 to FY20:

Table 53: Adjusted EBITDA – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
EBITDA	(36.6)	54.1	66.5	40.3
Recapitalisation costs	50.5	-	-	-
Impairment				
PP&E	0.1	0.1	0.2	8.3
Intangible assets	-	-	9.0	0.5
Inventories	-	10.9	0.8	5.0
Employee and related costs	15.1	2.6	1.7	1.3
Legal provisions	-	-	2.6	-
Other restructuring expenses	12.2	12.9	6.2	4.7
Onerous expenses	1.8	-	0.3	-
Total adjustments	79.7	26.5	20.8	19.8
Adjusted EBITDA	43.1	80.6	87.3	60.1

Source: the Group's annual reports, FTI Consulting analysis

In relation to the Group's historical Adjusted EBITDA:

- In FY17 the Group reported a significant item of approximately \$77 million related to the recapitalisation and restructuring, of which \$50.5 million related to "recapitalisation costs include fees for legal, finance and other advisory services", \$15.1 related to "employee and related costs include separation costs, retention and other employee-related costs", and \$12.2 million related to "other restructuring costs include fees and other advisory costs for business and operational improvement initiatives";
- Between FY18 and FY20, the Group continued to reduce operating costs through a series of restructuring activities, which resulted in costs for employee separations, exiting leased facilities, impairments of plant and equipment and inventories, and professional fees related to resizing the business;
- In FY18 the Group impaired inventories for products that could not be utilised;
- In FY20 the Group recognised an impairment of \$6.8 million against PP&E and leased assets in its Latin American Drilling Services Cash Generating Unit.

Since the last restructure in 2017, the Group has focused on right-sizing the operational footprint, including 'cleaning up' balance sheet items associated with day to day trading activities (e.g. inventories).

Historical financial position

Summarised in Table 54 below is the financial position of the Group as at 31 December 2017 (FY17), 31 December 2018 (FY18), 31 December 2019 (FY19), and 31 December 2020 (FY20), based on the Group's audited statutory accounts:

Table 54: Statement of financial position – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Cash & equivalents	43.8	38.9	20.2	23.5
Trade and other receivables	131.9	119.6	113.7	109.6
Inventories	174.4	165.4	163.1	158.3
Current tax receivable	1.7	0.3	2.5	0.5
Prepaid expenses and other assets	13.7	12.8	13.6	10.1
Assets held for sale	0.5	0.5	-	0.4
Total current assets	365.9	337.5	313.1	302.4
Land and buildings	31.2	33.3	21.0	18.3
Plant and equipment	68.7	67.9	85.1	85.9
Right of use assets	-	-	35.6	31.9
Construction in progress	18.2	12.9	23.3	15.8
Goodwill	101.2	103.9	104.5	105.1
Other intangible assets				
Trademark	3.1	3.1	1.9	1.9
Patents	6.1	6.8	4.0	3.9
Customer relationships	5.9	4.7	3.7	2.7
Software	3.7	1.0	0.8	0.5
Development assets	15.4	22.1	17.1	22.5
Deferred tax assets	20.6	20.7	16.9	13.3
Non-current tax receivable	18.0	16.3	10.8	1.6
Other assets	15.1	7.0	4.0	3.8
Total non-current assets	307.2	299.7	328.8	307.2
Total assets	673.1	637.2	642.0	609.6
Trade and other payables	(138.2)	(105.0)	(111.1)	(98.0)
Provisions	(19.5)	(19.9)	(14.4)	(13.9)
Current tax payable	(99.6)	(8.7)	(5.4)	(8.3)
Loans and borrowings	(0.8)	(1.2)	(8.3)	(10.2)
Total current liabilities	(258.1)	(134.8)	(139.3)	(130.4)
Loans and borrowings	(641.9)	(720.3)	(793.4)	(868.3)
Deferred tax liabilities	(13.4)	(17.5)	(16.9)	(18.7)
Provisions	(18.7)	(79.5)	(74.5)	(61.6)
Total non-current liabilities	(674.0)	(817.2)	(884.8)	(948.6)
Total liabilities	(932.1)	(952.0)	(1,024.1)	(1,079.0)
Net assets / (liabilities)	(259.0)	(314.9)	(382.2)	(469.4)
Issued capital	1,468.8	1,468.8	1,468.8	1,469.4
Reserves	(101.1)	(116.2)	(117.8)	(117.6)
Other equity	(137.2)	(137.2)	(137.2)	(128.8)
Accumulated losses	(1,489.4)	(1,532.7)	(1,595.6)	(1,692.9)
Non-controlling interest	-	2.4	(0.4)	0.5
Total equity	(259.0)	(314.9)	(382.2)	(469.4)

Source: the Group's annual reports, FTI Consulting analysis

I make the following comments in relation to Table 54 above:

- The net liabilities of the Group increased by \$87.2 million to \$469.4 million in FY20, primarily due to an increase in the Group's non-current loans and borrowings as a result of the PIKing of interest as at 30 June 2020 and 31 December 2020 on some of the Group's Finance Facilities;
- The Group's total assets decreased by \$32.3 million in FY20 to \$609.6 million due to the impairment of PP&E, reductions in tax receivables, and a decrease in working capital balances, offset by increases in intangible assets and cash;
- The Group's inventories decreased by \$3.8 million in FY20, however, days inventories outstanding increased from 98.9 days to 104.8 days. This related to the impact of COVID-19 on demand levels from customers, as well as on supply chains (e.g. a change from airfreight to shipping);
- In FY20 the Group implemented a scrapping program which removed \$1.8 million of obsolete inventory. This is expected to reduce inventory carrying costs in future periods. The Group also re-evaluated several key assumptions in the calculation of their allowance for excess or obsolete inventory;
- PP&E as a percentage of revenue has increased from approximately 14.8% in FY18 to 23.1% in FY20. This is directly due to the Group's adoption of AASB 16 in FY19 (see Table 55 below);
- The Group relies on a combination of patents, trademarks, trade secrets and similar intellectual property rights to protect the proprietary technology and other intellectual property that are instrumental to the Products segment. As at February 2021, the Group had 400 issued patents, 130 pending patent applications, 447 registered trademarks, four published trademarks, and 11 pending trademark applications. The Group has stated that they do not consider the Products segment, or the Group as a whole, to be materially dependent upon any particular patent, trademark, trade secret or other intellectual property; and
- The Group has reported an increase in net debt from \$598.9 million as at FY17 to \$855.1 million as at FY20, primarily due to the recognition of lease liabilities related to AASB 16 and increases in accrued interest.

Table 55: Property, plant, and equipment – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Land and buildings	31.2	33.3	21.0	18.3
Plant and equipment	68.7	67.9	85.1	85.9
Right of use assets	n/a	n/a	35.6	31.9
Construction in progress	18.2	12.9	23.3	15.8
Total PP&E	118.1	114.1	165.0	152.0

Source: the Group's annual reports, FTI Consulting analysis

Historical cash flow statements

Summarised in Table 56 below is the cash flow statements of the Group for FY17 to FY20 based on the Group's audited statutory accounts:

Table 56: Statement of cash flows – FY17 to FY20

\$ million	FY17A	FY18A	FY19A	FY20A
Loss for the year	(150.0)	(43.5)	(56.6)	(98.8)
Adjustments provided by operating activities				
Income tax expense / (benefit) recognised in profit	6.9	(7.5)	8.5	5.3
Finance costs recognised in profit	57.2	69.5	75.4	92.9
Depreciation and amortisation	51.1	36.6	39.3	41.0
Interest income recognised in profit	(1.8)	(0.9)	(0.1)	(0.0)
Gain on sale or disposal of non-current assets	(4.4)	(7.8)	(3.2)	(2.0)
Other non-cash items	(15.2)	(17.1)	(6.6)	12.5
Shares issued	0.5	0.0	-	0.3
Shares issued to directors	2.2	11.5	-	0.3
Impairment of current and non-current assets	(4.2)	2.1	10.0	8.8
Non-cash foreign exchange (gain)/loss	2.5	-	(0.2)	1.6
Equity-settled share-based payments	2.2	-	-	-
Mvmt. in trade and other receivables	(19.0)	3.0	2.2	5.3
Mvmt. in inventories	12.7	4.0	6.4	(3.8)
Mvmt. in other assets	(2.7)	(1.0)	1.2	0.1
Mvmt. in trade and other payables	18.3	(18.9)	7.8	(9.0)
Mvmt. in provisions	3.4	(5.8)	(7.1)	3.1
Cash provided by operations	(40.4)	24.1	77.0	57.6
Interest paid	(7.4)	(6.1)	(30.8)	(7.6)
Interest received	1.8	0.9	0.1	0.0
Income taxes paid	(8.0)	(15.2)	(10.9)	(0.6)
Net cash flows generated in operating activities	(54.0)	3.7	35.3	49.4
Purchase of property, plant, and equipment	(25.5)	(37.1)	(47.1)	(25.1)
Proceeds from sale of property, plant, and equipment	13.8	13.7	5.8	5.2
Intangible costs paid	(2.9)	(2.0)	(3.6)	(7.0)
Investment in unaffiliated companies	(0.9)	-	-	-
Net cash flows generated in investing activities	(15.4)	(25.4)	(44.9)	(26.9)
Proceeds from issuance of shares	4.5	-	-	-
Payments for debt issuance costs	(2.6)	-	(1.4)	(0.2)
Proceeds from borrowings	96.1	17.0	31.4	62.5
Repayment of borrowings	(51.6)	(5.3)	(40.9)	(81.3)
Net cash flows (used in) provided by financing activities	46.4	11.6	(11.0)	(18.9)
Net decrease in cash and cash equivalents	(23.0)	(10.0)	(20.5)	3.5
Cash and cash equivalents at the beginning of the year	59.3	43.8	38.9	20.2
Effects of FX rate changes	7.5	5.2	1.8	(0.2)
Cash and cash equivalents at the end of the year	43.8	38.9	20.2	23.5

Source: the Group's annual reports, FTI Consulting analysis

I make the following comments in relation to the Group's historical cash flow statements:

- Cash flow from operating activities increased by \$14.1 million in FY20 to \$49.4 million due to the successful negotiation to convert the interest payments on the Group's senior secured notes from payment in cash to PIK. The Group also implemented a number of longer-term initiatives to improve its working capital cycle and received \$6.2 million in funds in connection with the Canada Employee Wage Subsidy program;
- In FY20 the Group invested \$32.1 million in capital equipment and research and development to support existing operations and prepare it for the impending increase in demand expected through FY21. The investment was lower than in previous periods due to the measures implemented by the Group to conserve cash while monitoring the impact of COVID-19 on the business. FY20 capital expenditures were partially offset by proceeds from the sale of property, plant, and equipment of \$5.2 million; and
- The increase in cash flows used in financing activities in FY20 was primarily due to higher repayment of borrowings and lease facilities (\$81.3 million).

Capital structure and shareholders

Shareholders

As at 31 March 2021 the Group had 88,511,800 ordinary shares on issue and 3,591 registered shareholders, with the top 10 shareholders accounting for approximately 76.6 million of the ordinary shares on issue:

Table 57: Top 10 investors as at 31 March 2021

Shareholder	No. of shares	% of issued shares
Centerbridge Credit Partners	47,189,770	53.3%
Ascribe Capital	18,308,703	20.7%
Paradice Investment Mgt	2,816,742	3.2%
Corre Partners	2,588,537	2.9%
Cranport	1,438,333	1.6%
Mr Zhong Wei Miao	1,204,700	1.4%
Mr Alfred Otte	1,081,735	1.2%
BLY Aus Plans Control	920,048	1.0%
Watford Re	559,037	0.6%
Mr Richard Wallman	534,203	0.6%
Total top 10 shareholders	76,641,808	86.6%

Source: Sharetrak

The top two shareholders, Centerbridge and Ascribe, held approximately 74.0% of the Group's issued shares as at 31 March 2021.

Warrants

As at 31 March 2021 there were 2,012,403 quoted warrants expiring on 13 September 2024 held by 5,642 individual warrant holders that are publicly traded on the ASX. The quoted warrants do not carry rights to vote.

As at 31 March 2021 there were 282,779 unquoted warrants expiring at various dates held by nine individual warrant holders that are not publicly traded on the ASX. The unquoted warrants do not carry a right to vote.

Options

As at 31 March 2021 there were 43,158 unquoted options expiring at various dates held by nine individual option holders that are not publicly traded on the ASX. The unquoted share options do not carry rights to vote.

Debt

A summary of the Group's Finance Facilities as at 30 April 2021 is provided at Section 3.2. There were \$6.0 million of outstanding letters of credit issued by the PNC ABL as at 30 April 2021.

In addition to these amounts, the Group had \$40.7 million of outstanding lease liabilities as at 30 April 2021, split between \$29.3 million of operating leases, and \$11.3 million of finance leases. Of these amounts, \$22.2 million related to property leases, and \$9.5 million related to vehicle and transport equipment leases.

Appendix L: Value adopted under Controlled Insolvency Scenario

Table 58: Summary of book values adopted under the Controlled Insolvency Scenario

\$ million	Note	Net book value				Adj. book value		
		Scheme Co's (excl. BLA)	BLA	SSA Co's	Total	BLA	SSA Co's	Total
Working capital								
Trade & other receivables	2.	(0.6)	25.4	113.9	138.7	22.8	101.4	124.2
Inventories	3.	-	23.4	146.0	169.3	23.3	138.8	162.1
Pre-paid expenses	4.	0.3	0.2	10.7	11.2	0.0	10.7	10.7
Other financial assets	5.	0.1	0.2	1.2	1.5	0.1	1.0	1.0
Other current assets	6.	0.0	0.0	0.2	0.3	0.0	0.2	0.2
Trade & other payables	7.	0.0	(4.3)	(42.7)	(46.9)	(0.2)	(42.7)	(42.8)
Accrued payroll & benefits	8.	(0.1)	(4.1)	(26.1)	(30.3)	(4.1)	(26.1)	(30.2)
Employee provisions	9.	(0.0)	(6.7)	(5.3)	(12.0)	(6.7)	(5.3)	(12.0)
Pension provisions	10.	-	-	(17.1)	(17.1)	-	(20.4)	(20.4)
Accrued liabilities	11.	0.3	(4.0)	(37.4)	(41.2)	(0.2)	(37.4)	(37.6)
Other provisions	12.	(0.5)	-	(8.8)	(9.3)	-	(8.8)	(8.8)
Total working capital		(0.5)	30.1	134.6	164.1	35.0	111.4	146.4
PP&E and intangibles								
Fixed assets	13.	-	22.5	97.9	120.3	20.8	86.4	107.2
Lease assets	14.	-	10.7	26.0	36.7	-	-	-
Patents & trademarks	15.	-	-	6.1	6.1	-	49.6	49.6
Other intangibles	16.	-	5.9	21.3	27.2	2.9	10.7	13.6
Other long-term assets	17.	-	1.8	2.3	4.1	1.5	1.8	3.3
Tax Provision	18.	-	(1.0)	(48.6)	(49.6)	(1.0)	(38.9)	(39.9)
Deferred tax liability	19.	(14.2)	-	(4.5)	(18.6)	-	(16.8)	(16.8)
Lease liabilities	20.	-	(10.5)	(30.2)	(40.7)	(10.5)	(30.2)	(40.7)
Total PP&E and intangibles		(14.2)	29.4	70.3	85.4	13.7	62.6	76.3
Goodwill	21.	0.7	-	105.0	105.8	-	105.0	105.0
Assets held for sale	1.	-	0.3	-	0.3	0.3	-	0.3
Other assets / (liabilities)								
Cash at bank	22.	0.1	1.7	27.6	29.5	-	-	-
Deferred tax asset	23.	10.0	-	2.9	12.9	-	-	-
Pension plan asset	24.	-	-	11.3	11.3	-	-	-
Loan liabilities	25.	(887.1)	-	(0.1)	(887.2)	-	-	-
Other liabilities	26.	0.0	(0.0)	0.0	0.0	-	-	-
Total other assets / (liabilities)		(877.0)	1.7	41.8	(833.5)	-	-	-
Net assets / (liabilities)		(891.0)	61.5	351.6	(477.9)	49.0	279.0	328.0

Source: the Group, FTI Consulting analysis

Summary of assumptions

In making assumptions regarding a purchaser's allocation of TV (i.e. sales proceeds) in the Share Sale Companies and BLA, I have applied assumptions across the Share Sale Companies regardless of jurisdiction or status. In doing so, I note there will likely be 'overs' and 'unders' to a purchaser, and have used my transactional experience in Australia to reflect a blended rate. The Share Sale Companies contain entities that operate in jurisdictions where I do not profess to be an

expert in local insolvency law, or have experience in conducting sales processes. I have also not considered the impact of tax groups in the Controlled Insolvency Scenario.

In assigning the Group's assets and liabilities as being related to working capital or non-working capital (i.e. everything not classified as working capital), I had regard to two key considerations:

- The definition of working capital assets under the Group's facility documents, and
- The assets and liabilities that a purchaser would view as being related to funding the day-to-day operations of the business of the Group.

In some instances, I have made separate assumptions for the Share Sale Companies and BLA, generally reflecting the lower value of assets for an entity in liquidation and additional liabilities that may crystallise. Unless otherwise identified, the following assumptions apply across both the Share Sale Companies and BLA:

1. **Assets held for sale:** The 30 April 2021 balance sheet contained \$0.3 million of assets held for sale in BLA, consisting of three drill rigs. These were assigned 90% of book value in a Controlled Insolvency Scenario, as under AASB 5, these assets are already measured at the lower of their carrying amount and fair value less costs to sell. As such, this nominal discount simply reflects the liquidation status of BLA.
2. **Trade & other receivables:** The value of the net trade receivables (i.e. after deducting the provision for doubtful debts) in the Controlled Insolvency Scenario has been estimated at 90%. The balance of other receivables primarily consists of various tax receivables for which the value has been estimated at 80%.
3. **Inventories:** Inventory primarily comprises finished goods (\$137.5 million), inventory in transit (\$24.6 million), raw materials (\$20.1 million), work in progress (\$6.3 million), and an inventory reserve (negative \$22.8 million). For all finished goods (including inventory in transit), after deducting for the inventory reserve, I have assigned a value of 100%. This reflects the strong market demand for drilling equipment, that a significant portion of inventory is made to order, and representations from Management regarding the ability to continue to sell stock above cost price when the business is continuing to operate as a going concern scenario (as is contemplated in the Controlled Insolvency Scenario). For work in progress and raw materials, I have assigned a value of 80%, reflecting the less liquid market for these components of inventory as well as the unknown condition of these items.
4. **Pre-paid expenses:** Pre-paid expenses primarily consists of various prepayments by the Group to vendors, including for software costs and insurance. I have assumed that 100% of the value in these assets would be attributed under a Controlled Insolvency Scenario, as these entities continue to trade as a going concern, and could therefore utilise these prepayments as required. Conversely, I have assumed that only 10% of the value in BLA would be attributed by a purchaser, as the majority of the corresponding liabilities would not be transferred across to the new purchaser, and hence no value would be recovered from the prepayments.
5. **Other financial assets:** Other financial assets comprises various deposits made by the Group for PP&E, leases, legal matters, licenses, and fuel cards. The value of these items has been estimated at 80% in the Share Sale Companies, and 40% in BLA under a Controlled Insolvency Scenario. The lower valuation in BLA reflects that the suppliers holding these deposits would likely withhold these amounts due to having liabilities not being transferred, and thus would cash in the deposits to cover any unsecured claims.
6. **Other current assets:** The value of other current assets of the Group has been estimated at 80%. The balance primarily relates to tax and custom duties receivables, the majority of which I expect will be realisable by a purchaser of the Share Sale Companies, who will be continuing the business of the Group.
7. **Trade & other payables:** Other payables primarily consists of various income tax liabilities across the Group. I have assumed that a purchaser would assign 100% of the value of trade payables and other payables in the Share Sale Companies, as by transferring the shares of the Scheme Companies in these entities, they would be assuming the value, in full, of these entities' liabilities. I have assumed 5% value to these liabilities in BLA, reflecting the likelihood of some ransom creditor payments being required to be paid by the liquidator of BLA, with the remaining amounts not transferred under the ASA.
8. **Accrued payroll & benefits:** I have assumed that a purchaser would assign 100% of the value of accrued payroll and benefits in both the Share Sale Companies and BLA, as these employees would be transferred under both the SSAs and ASA, with the purchaser adopting any associated employee liabilities.
9. **Employee provisions:** The balance of employee provisions includes accrued leave, provisions for long-term incentive plans, and severance provisions. I have not assumed that a purchaser would make any additional

adjustments for redundancy costs, as the business of the Group will continue in its current state. As such, I have included these amounts under a Controlled Insolvency Scenario at 100% in both the Share Sale Companies and BLA, reflecting the transfer of these employees, and any associated liabilities, as detailed above.

- 10. Pension provisions:** A purchaser of the Share Sale Companies would assume the pension liabilities in these entities (representing the difference between the present value of the obligations and the fair value of the plan assets). I have excluded a surplus of \$3.3 million in Boart Longyear Limited (Ireland) as a purchaser would not be able to recover these amounts. I have assigned 100% of the value of the remaining liabilities in the Share Sale Companies, as a purchaser would be assuming the requirement to contribute to these plans, as and when required.
- 11. Accrued liabilities:** Accrued liabilities primarily consists of goods received not invoiced (\$19.1 million), and miscellaneous tax charges. I have assumed that a purchaser would assign 100% of the value of these amounts in the Share Sale Companies, as by transferring the shares of the Scheme Companies in these entities, they would be assuming the value, in full, of these entities' liabilities. I have assumed 5% value to these liabilities in BLA, reflecting the likelihood of some ransom creditor payments being required to be paid by the liquidator of BLA, with the remaining amounts not transferred under the ASA.
- 12. Other provisions:** Other provisions contains provisions related to restructuring (leases and professional fees), warranty liabilities, and legal fees. As with various other classes of liabilities above, I have also assumed that a purchaser would assign 100% of the value of these amounts in the Share Sale Companies, as by transferring the shares of the Scheme Companies in these entities, they would be assuming the value, in full, of these entities' liabilities. I have assumed nil value to these liabilities in BLA, as they will not be transferred under the ASA.

I note that, subsequent to the assignment of value to items of working capital, as detailed above, the remainder of TV is effectively assigned to non-working capital, regardless of the assumptions detailed below. However, I have continued to adjust balances within non-working capital and assign liabilities, where relevant, in order to allocate the TV amongst the Scheme Companies.

13. Fixed assets: The net book value as at 30 April 2021 of the Group's fixed assets consisted of: \$10.1m of building and improvements; \$3.1m of computer software and hardware; \$0.7m of furniture and fixtures; \$6.0m of land and improvements; \$78.7m of plant, machinery and equipment; \$5.5m of transport equipment; and, \$13.9m of construction in progress.

- For the Group's buildings and improvements, I have included amounts related to buildings at 90% and amounts related to improvements at 60%. These reductions reflect representations from Management regarding the Group's relative lack of investment in recent years, and therefore a purchaser's expectations regarding the capital expenditure and investment required in these asset classes.
- For the Group's computer software and hardware, I have included amounts related to hardware and software at 40% and all other amounts in both the SSA Companies and BLA at nil. This reflects representations by Management regarding the investment required to update the Group's current ERP.
- For the Group's furniture and fixtures, I have included amounts related to furniture at 50% of net book value.
- For the Group's land and improvements, I have included amounts related to land at 100% of net book value, and amounts related to improvements at 50% of net book value. The Group has not had any independent valuation of its land assets conducted recently, so I have assumed that the net book value of land reflects its fair value. I have also assumed that a purchaser would only ascribe 50% of the value of improvements.
- The Group's plant, machinery, and equipment consists of: \$10.2m of ancillary equipment, \$50.3m of drill rigs, \$10.3m of capitalised refurbishment costs, \$1.4m of factory equipment, \$2.1m of warehouse equipment, and various other immaterial asset classes. Across these assets I have generally assumed a purchaser would ascribe a range of 80% to 100% of net book value, with the exception of spare parts, where I have assumed 60% of net book value. These assumptions reflect Management's representations that they are able to regularly realise fixed assets at above net book value, which would continue to be possible as a going concern under the Controlled Insolvency Scenario.
- For the Group's transport equipment, I have included amounts in a range of 80% to 100% of net book value. These assumptions reflect the strong second-hand vehicle market globally, as well as a shortage of trailers.
- For the Group's construction in progress, I have included amounts at 80%. This category is used for assets currently undergoing refurbishment, and a purchaser would likely consider these items (either pre or post refurbishment) as valued at a slight reduction to net book value.

- 14. Lease assets:** I have not attributed any value to right-of-use or other capitalised lease assets contained on the Group's balance sheet as at 30 April 2021. These amounts are predominantly accounting entries, and do not reflect any tangible or intangible asset that could be utilised by a purchaser. One exception to the above may be where there is residual equity value in the Group's finance leases, however, I note that including any value related to residual equity in finance leases would not have any impact on the allocation of TV to non-working capital assets as detailed above.
- 15. Patents & trademarks:** The only assets for which I did not adopt the book value, as per the Group's 30 April 2021 balance sheet, was for patents and trademarks, which had a book value of \$6.1m net of accumulated amortisation. The Group obtains regular third-party independent valuations of these assets, the latest of which was conducted as at February 2021, and calculated a total estimated fair value of patents at \$44.2m and trademarks at \$5.5m. I have adopted these values, allocated to entities on a proportional weighted basis based on the number of patents or trademarks each entity holds.
- 16. Other intangibles:** Other intangibles includes \$13.2m related to capitalised development costs, \$11.6m related to in-development projects (referred to as construction in progress), and \$2.4m of other intangibles. I have assumed that a purchaser would value these assets at 50% of net book value.
- 17. Other long-term assets:** Other long-term assets predominantly includes long-term tax receivables. These items were not allocated to working capital as they are not expected to be realisable in the next 12 months, and are not related to funding the day-to-day operations of the Group. Consistent with my other assumptions regarding the Group's tax receivables detailed above, the value of these items has been estimated at 80% in both the Share Sale Companies and BLA under a Controlled Insolvency Scenario.
- 18. Tax provision:** Tax provision predominantly contains amounts related to corporate income tax, including, amongst other items (predominantly tax disputes), \$36.3m in Boart Longyear Canada related to the ongoing dispute with the Canadian Revenue Authority. I have reduced this amount to 80% of book value to reflect a purchaser's expectations of being able to settle these liabilities at amounts below the full amount of the respective claims.
- 19. Deferred tax liability:** I have assumed that a purchaser would assign 100% of the value of the deferred tax liabilities in the Share Sale Companies, as by transferring the shares of these entities, the liabilities of these entities would also be transferred to the purchaser. I have also reallocated a \$12.3m deferred tax liability within the balance of the deferred tax asset line item relating to Boart Longyear Company (Utah).
- 20. Lease liabilities:** I have assumed that a purchaser would assign 100% of the value of the lease liabilities in both the SSA Companies and BLA. In the SSA Companies, by transferring the shares of the Scheme Companies in these entities, liabilities of these entities would also be transferred to the purchaser. In order to continue operating the business of the Group (including BLA), these liabilities would also be assumed in full in BLA, as a purchaser would have these contracts novated.
- 21. Goodwill:** Goodwill was assigned full value in the Share Sale Companies. I have not opined on a purchaser's expectation of the value of Goodwill, as in my allocation of TV, the value of Goodwill is assumed to represent any surplus after the relevant assumed assets and liabilities have been accounted for.

The remaining items of the Group's balance sheet as at 30 April 2021 were not assigned any value by a purchaser under the Controlled Insolvency Scenario for reasons as detailed below.

- 22. Cash at bank:** I have assigned nil value to the Group's cash as the SSAs and ASA are both contemplated to be completed on a cash-free, debt-free basis.
- 23. Deferred tax asset ("DTA"):** I have assigned nil value to the Group's DTAs. A purchaser would not view the Group's DTAs as cash-like for the purposes of calculating a purchase price allocation, and would not expect any value to be able to be realised from the Group's DTAs given the potential difficulties in passing the Same Business Test.
- 24. Pension plan asset:** These amounts represent surpluses of \$11.3 million in some of the Canadian pension plans, which I have excluded as a purchaser would not be able to recover these amounts.
- 25. Loan liabilities:** I have assigned nil value to the Group's loan liabilities as the SSAs and ASA are both contemplated to be completed on a cash-free, debt-free basis.
- 26. Other liabilities:** The balance of this account is immaterial and contains various accounting reconciliation adjustments performed by the Group (e.g. rounding).

Appendix M: Value adopted under Uncontrolled Insolvency Scenario

Table 59: Summary of values adopted under the Uncontrolled Insolvency Scenario

\$ million	Note	Net book value				Controlled Insolvency value			
		Obligor Group	BLY IP	Non-obligors	Total	Obligor Group	BLY IP	Non-obligors	Total
Working capital									
Cash at bank	1.	10.5	-	19.0	29.5	10.5	-	17.4	27.9
Trade & other receivables	2.	86.1	-	52.6	138.7	57.0	-	21.3	78.2
Inventories	3.	93.5	-	75.8	169.3	75.4	-	31.4	106.9
Pre-paid expenses	4.	5.3	-	5.8	11.2	-	-	-	-
Other financial assets	5.	0.9	-	0.5	1.5	0.5	-	0.0	0.6
Other current assets	6.	0.0	-	0.2	0.3	0.0	-	0.0	0.1
Total working capital		196.4	-	154.0	350.4	143.5	-	70.2	213.7
Non-working capital									
Assets held for sale	7.	0.3	-	-	0.3	0.3	-	-	0.3
Fixed assets	8.	84.4	(0.0)	35.9	120.2	55.0	-	9.2	64.2
Lease assets	9.	33.9	-	2.8	36.7	-	-	-	-
Patents & trademarks	10.	4.7	1.1	0.4	6.1	6.5	3.3	0.2	9.9
Other intangibles	11.	16.2	3.6	7.3	27.2	-	-	-	-
Goodwill	12.	102.2	-	3.6	105.8	-	-	-	-
Deferred tax asset	13.	6.8	-	6.1	12.9	-	-	-	-
Pension plan asset	14.	11.3	-	-	11.3	-	-	-	-
Other long-term assets	15.	1.8	-	2.3	4.1	1.3	-	0.8	2.0
Total non-working capital		261.6	4.7	58.3	324.6	63.1	3.3	10.1	76.5
Total assets		458.0	4.7	212.3	675.0	206.6	3.3	80.3	290.1
Priority creditors									
Employee liabilities	16.	(31.5)	-	(10.9)	(42.4)	(47.2)	-	(16.3)	(63.5)
Secured creditors									
Secured external debt	17.	(593.8)	-	-	(593.8)	(602.0)	-	-	(602.0)
Lease liabilities	18.	(37.6)	-	(3.1)	(40.7)	-	-	-	-
Total secured creditors		(631.4)	-	(3.1)	(634.5)	(602.0)	-	-	(602.0)
Unsecured creditors									
Unsecured scheme creditors	19.	(293.4)	-	-	(293.4)	(301.7)	-	-	(301.7)
Lease liabilities	18.	-	-	-	-	(7.5)	-	(0.6)	(8.1)
Trade payables	20.	(20.9)	-	(21.7)	(42.6)	(20.9)	-	(21.7)	(42.6)
Other payables	21.	(48.5)	(0.1)	44.3	(4.3)	-	-	-	-
Accrued liabilities	22.	(17.2)	0.0	(24.0)	(41.2)	(17.2)	0.0	(24.0)	(41.2)
Other provisions	23.	(59.2)	-	(16.8)	(76.0)	(59.2)	-	(16.8)	(76.0)
Deferred tax liabilities	24.	(17.6)	-	(1.0)	(18.6)	(17.6)	-	(1.0)	(18.6)
Other liabilities	25.	0.0	0.0	0.0	0.0	-	-	-	-
Contra asset balances	26.	-	-	-	-	(14.6)	(0.0)	(12.7)	(27.2)
Total unsecured creditors		(456.7)	(0.1)	(19.2)	(476.0)	(438.6)	(0.0)	(76.8)	(515.4)
Total liabilities		(1,119.6)	(0.1)	(33.2)	(1,152.9)	(1,087.9)	(0.0)	(93.1)	(1,180.9)
Net assets / (liabilities)		(661.6)	4.6	179.1	(477.9)	(881.3)	3.3	(12.8)	(890.8)

Source: the Group, FTI Consulting analysis

Summary of assumptions

In the Uncontrolled Insolvency Scenario, I reflect various assumptions under a 'Forced Sale' premise of value, reflecting a piecemeal, entity-by-entity and asset-by-asset realisation of assets approach, and creditors claiming in respective entities as applicable. Based on representations from Management, I understand that recoveries under this scenario, where each entity in the Group is effectively in its own, separate liquidation process, recoveries would differ greatly on a jurisdictional basis. Management view the Group's likely recoveries across their various operating jurisdictions as being dependent on which of the below levels the entity operates in, each reflecting relative difficulties in extracting value from the Group's assets:

1. **Level 1:** Australia, Canada, United States, and New Zealand;
2. **Level 2:** Chile, Europe, and Peru; and
3. **Level 3:** Other entities (e.g. located in Africa, South-East Asia, etc.).

For this reason, in the Uncontrolled Insolvency Scenario I have applied assumptions to the Group's realisations generally on a sliding scale between Level 1 and Level 3 operating jurisdictions as detailed below.

After categorising entities on an operating jurisdiction basis, I have applied assumptions on a line-by-line basis. These assumptions reflect my experience in formal insolvency roles with complex group structures. This includes assumptions for entities operating in jurisdictions where I do not profess to be an expert in local insolvency law, or have experience in conducting liquidations (or other applicable processes). In these situations, whilst I have endeavoured to reflect some of the fundamental principles underpinning insolvency processes in other key jurisdictions, I have generally applied assumptions consistent with local insolvency law and liquidation processes in Australia.

1. **Cash at bank:** The Group's bank accounts and petty cash are generally assumed to be realisable at between 100% and 80% (depending on the level) of book value. The lower end of the range reflects the potential for additional costs required to recover and sweep the cash, as well as the likelihood in some entities of bank accounts being frozen. I note these amounts may be subject to potential setoffs by various financial institutions with which there are offsetting creditor positions. As I have not made any adjustment to the liabilities of the Group for potential setoffs, there is no need for a corresponding downwards adjustment to the realisable balance of cash at bank.
2. **Trade & other receivables:** A range of between 70% and 30% has been applied to the value of the net trade receivables (i.e. after deducting the provision for doubtful debts) in the Uncontrolled Insolvency Scenario. Given that a large portion of the Group's revenues are contracted, these adjustments reflect the likelihood of damages claims for uncompleted works. The balance of other receivables primarily consists of various tax receivables for which the value has been estimated at between 60% and 20%, reflecting the difficulty in recovering amounts from tax bodies in a liquidation scenario. I have not made any adjustment for likely offsets by creditors as the Group does not have a material number of overlapping debtors and creditors.
3. **Inventories:** Inventories primarily contains finished goods (\$137.5 million), inventory in transit (\$24.6 million), raw materials (\$20.1 million), work in progress (\$6.3 million), and an inventory reserve (negative \$22.8 million). For finished goods, after deducting for the inventory reserve, and for raw materials, I have assumed a range of recoveries of between 80% and 20%. Given a portion of the Group's inventory is made to order, Management's view is that in Level 1 jurisdictions, inventory could be recovered for close to cost price. As such, this adjustment reflects a combination of costs of realisation, as well as potential holding costs related to an elongated sales period (in order to prevent flooding the market). In addition to these costs, recoveries would be further reduced in Level 2 and Level 3 operating jurisdictions, as realisations of inventory would be contingent upon identifying appropriate local purchasers. Given these entities would be in liquidation, these purchasers would likely be able to extract a significant discount. For work in progress I have assigned a marginally lower range, given the additional burden on a potential purchaser of assuming the requirement to complete manufacturing of these items. I have applied a lower range of between 50% and nil for inventory deployed in the field by Drilling Services.
4. **Pre-paid expenses:** Pre-paid expenses primarily consists of various prepayments by the Group to vendors, including for software costs and insurance. I have assumed nil value could be realised from these prepayments in an Uncontrolled Insolvency Scenario, as all of the Group's entities would cease trading.

- 5. Other financial assets:** Other financial assets comprises various deposits made by the Group for PP&E, leases, legal matters, licenses, and fuel cards. The value of these items has been estimated at between 60% and nil in an Uncontrolled Insolvency Scenario.
- 6. Other current assets:** The balance of other current assets primarily includes tax and custom duties receivables. I have applied the same assumptions as other receivables (i.e. between 60% and 20%) to these amounts.
- 7. Assets held for sale:** The 30 April 2021 balance sheet contained \$0.3 million of assets held for sale in BLA, consisting of three drill rigs. These were assigned 90% of book value in an Uncontrolled Insolvency Scenario (as was the case in the Controlled Insolvency Scenario), as under AASB 5, these assets are already measured at the lower of their carrying amount and fair value less costs to sell. As such, this nominal discount simply reflects the liquidation status of BLA.
- 8. Fixed assets:** The net book value as at 30 April 2021 of the Group's fixed assets consisted of: \$10.1 million of building and improvements; \$3.1 million of computer software and hardware; \$0.7 million of furniture and fixtures; \$6.0 million of land and improvements; \$78.7 million of plant, machinery and equipment; \$5.5 million of transport equipment; and, \$13.9 million of construction in progress.
 - For the Group's buildings and improvements, I have assumed that amounts related to buildings could be realised at between 50% and nil depending on the operating jurisdiction in a liquidation scenario, and nil realisable value for the Group's capitalised expenditure on improvements.
 - For the Group's computer software and hardware, I have included amounts related to hardware at between 10% and nil, and amounts related to software at nil, based on my experience in realising assets of these types.
 - For the Group's furniture and fixtures, I have included amounts related to furniture at 20% of net book value in Level 1 operating jurisdictions, and nil in both Level 2 and Level 3 operating jurisdictions.
 - For the Group's land and improvements, I have included amounts related to land at between 90% and 50% of net book value, and amounts related to improvements at nil. These discounts reflect a combination of costs of realisation, potential holding costs, as well as an implied discount for the sale of these assets whilst the Group is in liquidation.
 - The Group's plant, machinery, and equipment consists of: \$10.2 million of ancillary equipment, \$50.3 million of drill rigs, \$10.3 million of capitalised refurbishment costs, \$1.4 million of factory equipment, \$2.1 million of warehouse equipment, and various other immaterial asset classes. Assumptions for the Group's drill rigs and sonic heads generally reflect a similar situation as contemplated with inventories, however, I have adopted a slightly higher range of between 90% and 30% reflecting Management's representations that the Group's fixed assets are generally more undervalued than inventory on a net book value basis. For ancillary equipment, carriers, factory equipment, heavy machinery, instrumentation, spare parts, tooling, and warehouse equipment, I have applied a lower range of between 60% and 20%, reflecting both the less liquid market for these pieces of machinery and parts as well as their unknown condition. In the Uncontrolled Insolvency Scenario, I have applied nil recoverable value to the Group's capitalised expenses in plant, machinery, and equipment (including refurbishment costs).
 - For the Group's transport equipment, I have included amounts related to vehicles and trailers at between 90% and 50% of net book value. These assumptions reflect the strong second-hand vehicle and trailer market in Level 1 operating jurisdictions, as well as implied discounts related to difficulties in identifying appropriate local purchasers in Level 2 and Level 3 operating jurisdictions.
 - For the Group's construction in progress, I have included amounts at between 75% and 25% of net book value. This category is used for assets currently undergoing refurbishment, and liquidators in the various entities across the Group would likely be able to recover value from these items, albeit at a lower level than operational plant and equipment.
- 9. Lease assets:** I have not attributed any value to right-of-use or other capitalised lease assets contained on the Group's balance sheet as at 30 April 2021. These amounts are predominantly accounting entries, and do not reflect any tangible or intangible asset that could be realised by the various liquidators across the Group. One exception to the above may be where there is residual equity value in the Group's finance leases, however, I do not expect this would be material, given the relatively short tenure of the leases, as well as the relatively small proportion of finance leases in the Group's portfolio (approximately 20%).
- 10. Patents & trademarks:** As with the Controlled Insolvency Scenario, I have adopted the third-party independent assessment of the value of the Group's patents and trademarks as at February 2021, being \$44.2 million for patents,

and \$5.5 million for trademarks. However, in an Uncontrolled Insolvency Scenario, the royalty rate method used by the valuers (i.e. a measurement of license payments) would not be an appropriate proxy for the liquidation value of these assets. As such, I have assumed that only 20% of the third-party independent valuation of these assets would be recoverable in an Uncontrolled Insolvency Scenario. I note that this is still approximately 60% higher than the book value of these assets recorded by the Group.

- 11. Other intangibles:** Other intangibles includes \$13.2 million related to capitalised development costs, \$11.6 million related to in-development projects (referred to as construction in progress), and \$2.4 million of other intangibles. I have assumed that these would have nil realisable value in the conduct of a piecemeal entity-by-entity liquidation.
- 12. Goodwill:** I have assumed that there would be nil realisable value from the Group's net book value of goodwill in a piecemeal entity-by-entity liquidation.
- 13. Deferred tax asset:** I have assigned nil value to the Group's DTAs as each entity in the Group would cease operating.
- 14. Pension plan asset:** These amounts represent surpluses of \$11.3 million in some of the Canadian pension plans, which I have excluded as a liquidator would not likely be able to recover these amounts.
- 15. Other long-term assets:** Other long-term assets predominantly includes long-term tax receivables. Consistent with my other assumptions regarding the Group's tax receivables detailed above, the value of these items has been estimated at between 70% and 30% across the Group in an Uncontrolled Insolvency Scenario.
- 16. Employee liabilities:** The balance of the Group's employee liabilities includes both accrued payroll and benefits, as well as employee provisions. I have assumed that these amounts would be provable in full in the conduct of the various liquidations contemplated under the Uncontrolled Insolvency Scenario. I have increased this amount by 50% to reflect additional employee liabilities arising under a liquidation (e.g. redundancy). Based on my general experience in conducting formal insolvency roles in Australia, employee liabilities provable in a liquidation can be 3-4 times higher than the book value in a company.
- 17. Secured external debt:** I have assumed that the book value of these amounts as at 30 April 2021 would generally be provable in full by the Group's secured creditors. This includes: the principal on the PNC ABL; principal and accrued PIK on the Backstop ABL; principal on both the TLA and TLB; principal and accrued interest on the stub SSNs; and, the principal, accrued PIK, and accrued interest on the SSNs. To the extent that the Group's secured lenders have additional fees that would be provable under an Uncontrolled Insolvency Scenario, this would only further reduce the return to the secured creditors of the Group. I have also made various adjustments to the book value as detailed below:
 - Removing balances related to deferred borrowing costs, a contra liability account used for accounting purposes to amortise borrowing costs over the life of the facilities;
 - Assuming that the Group's letters of credit issued under the PNC ABL would be drawn in an Uncontrolled Insolvency Scenario, increasing the amount outstanding under the PNC ABL by \$6.0 million;
 - Excluding \$3.3 million related to an accounting adjustment recorded by the Group for accelerated interest under the SSNs, which would not be claimable in an Uncontrolled Insolvency Scenario; and
 - Adjusting the accrued interest/PIK for the SSNs to reflect the PIKing of the June 2021 interest at 14.5% for the period to 30 April 2021, rather than a cash interest at 10.0% recorded on the 30 April 2021 balance sheet.I note that these amounts also have an unsecured claim against BLY IP as detailed in Table 32 of Section 8.4.3.
- 18. Lease Liabilities:** Under an Uncontrolled Insolvency Scenario, I have assumed that the liquidators appointed across the Group would disclaim the Group's leased equipment. As a result, unsecured claims would arise in the liquidations of these entities for the outstanding amounts on the leases, net of any recoveries able to be obtained by the lessors, e.g. from re-letting the equipment. I have assumed that these liabilities crystallise at approximately 20% of the outstanding book value liability of these leases as at 30 April 2021, noting that there will be 'overs' and 'unders' across entities and specific leases.
- 19. Unsecured scheme creditors:** I have assumed that the book value of these amounts as at 30 April 2021 would generally be provable in full by the Unsecured Scheme Creditors. This includes: the accrued PIK and accrued interest under the TLA and TLB; applicable premium under the stub SSNs and SSNs; and principal, accrued PIK, and accrued interest under the SUNs. I have adjusted the book value for:
 - Adjusting the applicable premium for the SSNs to reflect the higher accrued interest (as a result of PIKing the June 2021 cash interest payment) and higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the rate as at December 2020; and

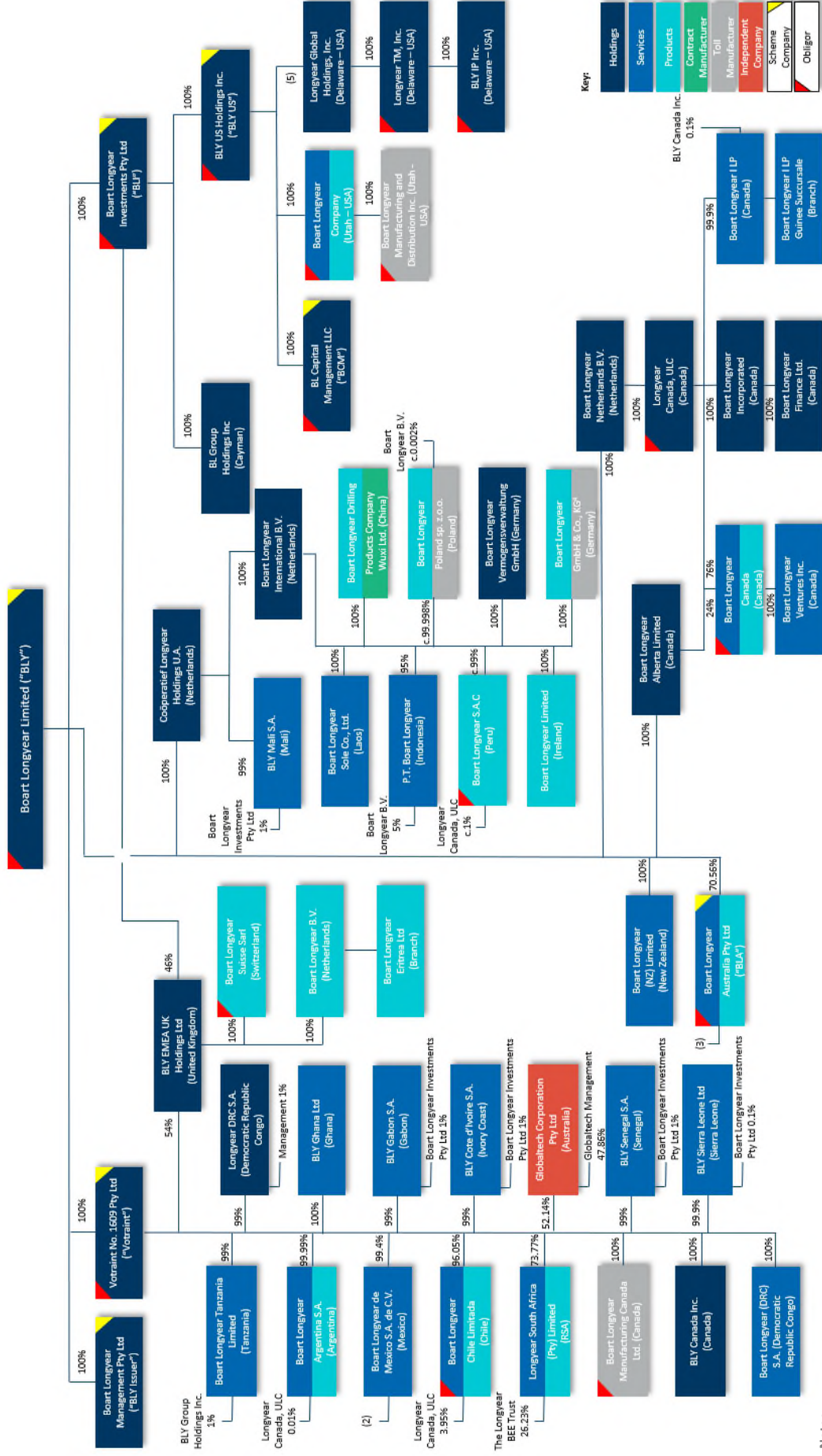
- Adjusting the applicable premium for the stub SSNs to reflect the higher applicable premium percentage as at 30 April 2021, noting that the balance sheet still applied the rate as at December 2020.

I note that, with the exception of the SUNs, these amounts also have an unsecured claim against BLY IP as detailed in Table 32.

- 20. Trade payables:** I have adopted the balance of trade payables from the 30 April 2021 balance sheet in full. I have not assumed any of these amounts are compromised as I have assessed the returns to creditors in each and every entity of the Group. I have also not assumed any set offs as detailed above.
- 21. Other payables:** Other payables primarily consists of various income tax liabilities across the Group. Given the Group's various tax groups, assessing the liabilities on an entity-by-entity basis (where some entities have large payables or large receivables due to tax sharing agreements) would be inappropriate in the EPM model. As a result, I have excluded this liability in full from the likely unsecured claims in an Uncontrolled Insolvency Scenario, noting that Management have stated that these tax groups are generally in a net liability position. This is a conservative position to adopt as any unsecured claims in non-obligor entities in relation to the Group's tax groups may reduce the return to the Secured Scheme Creditors.
- 22. Accrued liabilities:** Accrued liabilities primarily consists of goods received not invoiced (\$19.1 million), and miscellaneous tax charges. As with the Group's trade payables, I have adopted the balance of accrued liabilities from the 30 April 2021 balance sheet in full.
- 23. Other provisions:** Other provisions includes pension provisions, tax provisions, and other provisions (which includes restructuring costs related to leases and professional fees, warranty liabilities, onerous contracts, and legal costs). I have assumed these amounts would be provable in full by creditors of the Group. This includes liabilities related to the Group's pension plans, reflecting the difference between the present value of the obligations and the fair value of the plan assets. As detailed in Section 8.6.4, based on my limited review, in a liquidation of the Group's entities, these amounts would generally be claimable in full by the fund administrators against the sponsor entities. I have excluded a surplus of \$3.3 million in Boart Longyear Limited (Ireland) as a liquidator would not be able to recover these amounts. I have not assumed any compromise on the Group's tax provision (predominantly related to the tax dispute outlined in Section 4.2.2), as a settlement would not be probable for entities in liquidation.
- 24. Deferred tax liabilities:** I have assumed that these amounts as at 30 April 2021 would be provable in full in each of the entities across the Group.
- 25. Other Liabilities:** The balance of this account is immaterial and contains various accounting reconciliation adjustments performed by the Group (e.g. rounding). I have therefore excluded these amounts under the Uncontrolled Insolvency Scenario.
- 26. Contra asset balances:** I have reallocated contra balances within asset accounts as being unsecured claims in each entity in liquidation. This predominantly includes a \$12.3 million deferred tax liability in Boart Longyear Company (Utah) recorded within the balance of deferred tax assets, and \$12.9 million of contra balances included within non-trade receivables across the Group. Continuing to treat these amounts as assets would understate the potential realisable value of the Group's assets, and conversely understate the potential provable amount of the Group's liabilities.

Appendix N: Group structure as at 31 December 2020

Figure 11: The Group's organisation structure as at 31 December 2020



Notes:
 (1) Dormant entities and entities in liquidation have been excluded from the organisational structure
 (2) Boart Longyear Canada 0.5%, Boart Longyear Australia Pty Ltd 0.1%
 (3) Boart Longyear Investments Pty Ltd 27.88%, Votaint No. 1609 Pty Ltd 1.56%
 (4) Boart Longyear Vermögensverwaltung GmbH is the General Partner and Boart Longyear International B.V. is the Limited Partner and Sole Shareholder of Boart Longyear GmbH & Co., KG
 (5) Common stock 100%, Preferred stock 100%

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ANNEXURE D

Certified Copies of Financial Statements

FINANCIAL REPORT

BOART LONGYEAR LIMITED

A.B.N. 49 123 052 728
ANNUAL FINANCIAL REPORT
YEAR ENDED 31 DECEMBER 2020

I certify that this is a true and correct copy of the financial report of Boart Longyear Limited and its controlled entities for the financial year ended 31 December 2020.



Signed:.....

Name: Nora Pincus

Position: Company Secretary

Dated: June 16, 2021

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Boart Longyear Limited (the "Parent") and its controlled entities (collectively the "Company") for the financial year ended 31 December 2020 (the "financial year") and the Independent Auditor's Report thereon.

Financial results and information contained herein are presented in United States ("US") dollars unless otherwise noted.

DIRECTORS

The Directors of the Company (the "Directors") in office during the financial year and as at the date of this report are set out below.

<u>Directors</u>	<u>Position</u>
Kevin McArthur	Non-executive Chairman
Tye Burt	Non-executive Director
Kyle Cruz ¹	Non-executive Director
Jason Ireland	Non-executive Director
James Kern	Non-executive Director
Rubin McDougal ²	Non-executive Director
Jeffrey Olsen	Executive Director
Robert Smith	Non-executive Director
Conor Tochilin ³	Non-executive Director
Richard Wallman ⁴	Non-executive Director

(1) Kyle Cruz retired from the Board effective 17 January 2020.

(2) Rubin McDougal joined the Board of Directors as a Non-Executive Director effective 1 March 2020.

(3) Conor Tochilin joined the Board of Directors as a Non-Executive Director effective 17 January 2020.

(4) Richard Wallman retired from the Board effective 29 February 2020.

For a summary of experience and qualifications for each Director, see the Board of Directors section on page 34 of this Report.

COMPANY SECRETARIES

Nora Pincus (appointed 13 August 2020)

Robert Closner (through 13 August 2020)

Philip Mackey


PRINCIPAL ACTIVITIES

Established in 1890, Boart Longyear is heading into its 131st 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 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.

The Geological Data Services division, a segment of our Global Products business, utilises 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.

These factors, combined with the Company's global footprint, have allowed the Company to establish and maintain long-standing relationships with a diverse and blue-chip customer base worldwide that includes many of the world's leading mining companies. With more than 130 years of drilling expertise, the Company believes its  insignia and brand represent the gold standard in the global mineral drilling industry.

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. To get Boart Longyear news direct, follow us on Twitter, LinkedIn and Facebook.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a global pandemic. That same month, as a result of the COVID-19 pandemic, the Company implemented its business continuity plan. The plan included measures required to protect the health and well-being of employees while ensuring ongoing operational sustainability; transitioning of corporate and regional office staff to work from home; and ceasing all non-essential international and domestic travel. The plan also contained initiatives aimed at maintaining liquidity. The actions taken to conserve cash included, but were not limited to, temporary salary reductions and amending the terms of the Company's Senior Secured Notes to satisfy interest payments due in respect of the notes on 30 June 2020 and 31 December 2020 by way of payment-in-kind ("PIK") rather than by payment in cash. See Note 21.

EVENTS SUBSEQUENT TO REPORTING DATE

As released on 7 January 2021, the Company has engaged Rothschild & Co. as an advisor to support the Company's evaluation of potential options in anticipation of the maturation of the Company's debt facilities through the second half of 2022 including for refinancing or recapitalisation. At this time there are no material developments related to the strategic review; however, the Company continues to explore various solutions to materially improve the capital structure of the business.

DIVIDENDS

No dividends have been paid during the financial year.

REVIEW OF OPERATIONS ¹

1. Safety Performance, Market Conditions and Strategies

1.1 Overview

Boart Longyear is the world's leading integrated provider of drilling services, drilling equipment and performance tooling for mining and mineral drilling companies globally. We conduct our business activities through two segments, Global Drilling Services and Global Products, which includes our Geological Data Services. Geological Data Services is a rapidly growing segment of Boart Longyear that provides industry leading digital technologies to aid in understanding drilling and ore body properties in real time.

We aim to create value for our customers through a comprehensive portfolio of technologically advanced and innovative drilling services and products. We believe that our market leading positions in the mineral drilling industry are driven by a variety of factors, including the performance, expertise and high safety standards of Global Drilling Services and the innovation, engineering excellence and global manufacturing capabilities of Global Products.

Our operating and commercial priorities include solidifying our competitive advantages with sustained investments in safety performance, productivity enhancements, and operating improvements in our Global Drilling Services division, while remaining focused on the needs of our customer base. In the Global Products division, we draw current customers and future growth from strong brands and a reputation of high quality, technical innovation, expertise, strong field support and value-added products. Our engineering and product management teams pursue new products as well as continuous improvements to benefit both the mining and construction markets in applications including exploration, blast hole, and sonic drilling. Some recently introduced products continue to gain momentum globally. This includes the LF160 surface coring drill rig which, when paired with our hands-free Freedom Loader, sets a new benchmark in productivity and safety. Our patented Longyear™ diamond coring bits demonstrate increased productivity by drilling faster, lasting longer, or both. Also patented, the innovative XQ™ coring rod offers customers benefits from its preferred thread design thanks to ease of use, unsurpassed depth capacity, and superior wear life. In percussive tooling for blast hole drilling applications, our line of DriftMaster™ drill rods is growing both in product offering and customer adoption for underground mining applications. TruCore™ electronic core orientation tools continue to expand geographically and are available globally. The TruShot™ electronic magnetic survey instrument is the second offering in a future suite of tools. We are now using our TruScan™ geological sample field screening technology at mine sites with several mining customers. We have also recently launched our TruSub™ drill rig performance monitoring technology. TruSub™ is a digital drill sub technology that fits between the drill head and drill rods. TruSub™ allows for key drilling parameters to be digitally recorded and viewed in real time to drive drilling productivity. We will be rolling out TruSub™ with our Global Drilling Services and third-party party customers on several mine sites later this year. These instruments are part of our strategy to be the global technology leader in providing subsurface resource information to mining companies through our Geological Data Services business.

Our capital structure exposes us to a variety of market, operational and liquidity risks. As at 31 December 2020, cash flows from operating activities was \$49.4 million. This represents an improvement of \$14.1 million over 2019 cash flows from operating activities of \$35.3 million and is inclusive of \$6.2 million in funds received under the Canada Employee Wage Subsidy program for COVID-19 relief. This significant improvement was achieved through the conversion of the 2020 interest instalments for debt from payment in cash to payment-in-kind ("PIK"). In addition, improvements to cash from operations were generated through cost control and capital management in the second quarter tied to the pause in activity levels caused by COVID-19, as well as focused and sustainable long-term cost reductions, productivity enhancements and working capital management.

(1) The Review of Operations contains information sourced from our audited financial statements as well as additional supplemental information that has not been subject to audit or review.

1.2 Safety Performance

Boart Longyear strives to continuously improve safety performance. Health and Safety is a core Company value along with Integrity, Customer Focus, and Teamwork and is expected from our employees, and drives value for our customers and stakeholders. Through our Company initiatives and robust safety programs, Boart Longyear builds trust with our employees, customers, and all stakeholders.

For the year ending 31 December 2020, the Company's world class performance on key indicators includes a Total Case Incident Rate ("TCIR") of 1.52 and Lost-Time Injury Rate ("LTIR") of 0.10. Both TCIR and LTIR rates are calculated based on 200,000 hours worked. During the year ending 31 December 2020, our employees experienced 77 injuries that required some medical treatment or job restriction; five of those injuries resulted in lost work time. The focus throughout 2020 has been on our Environment, Health and Safety ("EHS") management system elements: Critical Risk Management, EHS Fundamental, EHS Standards and Competency Training Programs. In addition, a significant effort was put into our COVID-19 Management Plan that provided guidance and allowed for business continuity throughout the global pandemic.

1.3 Impact of Market Conditions

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a global pandemic. That same month, as a result of the COVID-19 pandemic, the Company implemented its business continuity plan. The plan included measures required to protect the health and well-being of employees while ensuring ongoing operations sustainability; transitioning of corporate and regional offices staff to work from home; and ceasing all non-essential international and domestic travel. The plan also contained initiatives aimed at maintaining liquidity. The actions taken to conserve cash included, but were not limited to, temporary salary reductions and amending the terms of the Company's senior secured notes to satisfy interest payments due in respect of the notes on 30 June 2020 and 31 December 2020 by way of payment-in-kind rather than by payment in cash. See Note 21.

The exploration market, mining market, and construction market were materially impacted by the COVID-19 pandemic in 2020. The Company saw a decline in global customer activities due to government-imposed closures and customers choosing to reduce exposure across their operations by delaying new projects. We have worked closely with our key customers to continue operations where possible, while ensuring we protect our people and the communities in which they work. Boart Longyear has demonstrated best practice in its active and consistent implementation of health and safety protocols to protect our own workforce and those of our customers, as well as of the residents of the communities in which we operate. This approach has significantly reduced the risk of unplanned stoppages or delays due COVID-19 outbreaks, allowing Boart Longyear crews to maintain a solid operating rhythm and thereby continue to deliver results for our customers under exceptional circumstances. While jurisdiction and customer-specific restrictions continue to impact normal operations, these restrictions are, for the most part, predictable and manageable.

Once the COVID-19 pandemic subsides, and the industry returns to more normal operations and people movements, we believe that mining companies will respond to the material increase in commodity pricing and underlying demand. While COVID-19 materially impacted normal operations for several months, the strength in key commodity prices drove continued capital raisings in the mining space, with \$3.5 billion raised in the third quarter, the strongest quarter in eight years. This will in turn drive exploration activity in the coming quarters, particularly as current COVID-19 related restrictions are eased. In addition, the recovery of China's economy is quickly driving demand for the key bulk commodities of copper, iron ore, and nickel, while gold prices continue to hold well above the all-in sustaining cost for major mines. Adding to the China-driven increases in demand are the twin emerging global trends of electrification of vehicle fleets and conversion to green energy, further supporting the prospects for sustained growth in copper, nickel, and lithium exploration and production over the coming years.

We continue to retire older drill rigs and add new upgraded exploration drill rigs to the drilling services fleet to meet the demand and expanded budgets of our key customers in different regions around the world. We continually evaluate opportunities where we can help our customers meet their exploration goals, utilising the latest technology improvements that support both safety and productivity enhancements. The same is true for our Global Products business where we are working to provide our customers technologies that help them both increase productivity and maintain safe operations.

As a result of the COVID-19 pandemic and ongoing finance costs associated with the Company's debt facilities, the Company reported a statutory loss for the year ended 31 December 2020 of \$98.8 million.

Objectives and Strategies

In addition to our prime goal of returning our employees home safely each day, we continue to position the business to operate more efficiently across all phases of the mining cycle. Key elements of this strategy include focusing more closely on cash generation, achieving and maintaining sustainable earnings before interest, taxes, depreciation and amortisation (“EBITDA”) margins, improving returns on capital through disciplined variable and fixed cost management and capital spending programs, and maintaining a rigorous focus on working capital, particularly inventory and accounts receivable.

We are committed to driving long-term shareholder value by executing on several key initiatives to improve our commercial practices. In our Global Drilling Services division, we are committed to improving safety, productivity, and profitability through:

- focusing on operational efficiencies and productivity across the organisation, particularly at the drill rig level;
- optimising the commercial organisation to drive value through the contracting and pricing processes;
- leveraging the supply chain function across the business; and
- controlling selling, general and administrative (“SG&A”) and other overhead related costs.

In the Global Products division, we continue to maintain our market leadership with the recent commercialisation of new products such as our LF160 surface coring drill with the Freedom loader, our patented Longyear™ diamond bits, DriftMaster™ drill rods for blast-hole applications, and our XQ™ coring rods. These newer products complement the well-respected lines of existing products that customers have come to rely on from Boart Longyear.

We are also pursuing market leadership in providing subsurface resource information to our mining customers in an integrated, real-time, and cost-effective manner through our Geological Data Services business.

Ultimately, our goal is to help our customers build their ore body knowledge. Through our focus on operational excellence, we will address the risks and challenges of the mining industry cycle while also preserving the significant upside that we may realise in our operations as market conditions improve, combined with a significantly improved cost structure and operating performance. We are also capitalising on longer-term growth opportunities through investment in technologies that will broaden our customer offerings.

2. Financial and Operating Highlights

	For the year ended 31 December			
	2020	2019	\$ Change	% Change
	US\$ Millions	US\$ Millions		
Key financial data				
Revenue	657.3	745.0	(87.7)	-11.8%
NPAT ¹	(98.8)	(56.6)	(42.2)	-74.6%
EBITDA ²	40.3	66.5	(26.2)	-39.4%
Adjusted EBITDA ²	60.1	87.3	(27.2)	-31.2%
Operating (loss) profit	(0.7)	27.2	(27.9)	-102.6%
Cash provided by operations	57.6	77.0	(19.4)	-25.2%
Net cash flows generated operating activities	49.4	35.3	14.1	39.9%
Capital expenditures (accrual)	32.0	52.3	(20.3)	-38.8%
Capital expenditures (cash)	32.1	50.7	(18.6)	-36.7%
Weighted Average number of ordinary shares	88.0	87.7	0.3	0.3%
Earnings per share (basic and diluted)	(112.3) cents	(64.6) cents	(47.7) cents	-73.8%
Average BLY rig utilisation	37%	41%	-4%	-9.8%
Average Fleet size	683	691	(8)	-1.2%

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

(2) EBITDA is 'Earnings before interest, tax, depreciation and amortisation'. Adjusted EBITDA is 'Earnings before interest, tax, depreciation and amortisation and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of business'. These items are identified by management as not representing the underlying performance of the business. See reconciliation in section 3.3 'Significant Items'.

3. Discussion and Analysis of Operational Results and the Income Statement

3.1 Revenue

Revenue for the year ended 31 December 2020 of \$657.3 million decreased by 11.8%, or \$87.7 million, compared to revenue for the prior year ended 31 December 2019 of \$745.0 million.

A majority of the revenue for both Global Drilling Services and Global Products is derived from providing drilling services and products to the mining industry and is dependent on global mineral exploration, development and production activities.

Following the initial impacts of COVID-19 in March and April in the forms of project cancellations, deferrals, and stoppages, the Company has seen a steady resumption of exploration activity, as well as an increase in bidding activity for such work. And, while jurisdiction and customer-specific safeguards and protocols to prevent the spread of COVID-19 can often impact project costs, timelines, and labor availability, we are factoring the cost of implementation of these safeguards and protocols into all new bids. In addition, we are ensuring the commercial and legal terms in all new bids adequately cover the risk of COVID-19 related work suspensions or other stoppages. Looking forward, the anticipated economic recovery from the COVID-19 slowdown continues to support the demand key commodities, further strengthening the incentive for exploration, development, and production.

3.2 Cost of Goods Sold, Sales and Marketing Expense, and General and Administrative Expense

The following pro forma income statement shows the effects of removing significant items from their respective income statement line. The adjusted balances will be used in the following narrative to reflect cost categories after removing the impact of significant items.

	For the year ended 31 December					
	2020			2019		
	As Reported	Significant Items	Adjusted Balance	As Reported	Significant Items	Adjusted Balance
Continuing operations						
Revenue	657.3	-	657.3	745.0	-	745.0
Cost of goods sold	(559.8)	5.5	(554.3)	(606.3)	5.2	(601.1)
Gross margin	97.5	5.5	103.0	138.7	5.2	143.9
Other income	5.8	-	5.8	6.8	-	6.8
General and administrative expenses	(69.8)	5.5	(64.3)	(83.0)	15.6	(67.4)
Sales and marketing expenses	(17.0)	0.5	(16.5)	(20.3)	-	(20.3)
Significant items	-	(19.8)	(19.8)	-	(20.8)	(20.8)
Other expenses	(17.2)	8.3	(8.9)	(15.0)	-	(15.0)
Operating (loss) profit	(0.7)	-	(0.7)	27.2	-	27.2

Gross margin in 2020 decreased to 15.7% compared to 19.3% in 2019. The lower margin is directly related to the pause in activity levels from the emergence of COVID-19. The Company implemented a number of measures to reduce the impact of the lower activity levels; however, it was not able to mitigate the full impact from COVID-19 across its global regions.

The total of other income, general and administrative expenses ("G&A"), sales and marketing expenses ("S&M") and other expenses (adjusted for significant items) of \$83.9 million in 2020 was 12.5% less than 2019 of \$95.9 million. The lower cost structure is driven by lower expenses as a result of initiatives implemented to match the workforce needs to the reduced activity levels during the early stages of the COVID-19 pandemic.

3.3 Significant Items

During the years ended 31 December 2020 and 2019, the Company incurred the following restructuring expense, recapitalisation costs and impairment charges:

US\$ Millions	For the year ended 31 December	
	2020 US\$ Millions	2019 US\$ Millions
EBITDA¹	40.3	66.5
Impairments		
Property, plant and equipment	8.3	0.2
Intangible assets	0.5	9.0
Inventories	5.0	0.8
Employee and related costs	1.3	1.7
Legal provisions	-	2.6
Other restructuring expenses	4.7	6.2
Onerous lease	-	0.3
Total of significant and non-recurring items	19.8	20.8
Adjusted EBITDA¹	60.1	87.3

(1) EBITDA is 'Earnings before interest, tax, depreciation and amortisation'. Adjusted EBITDA is 'Earnings before interest, tax, depreciation and amortisation and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of business'. These items are identified by management as not representing the underlying performance of the business. Adjusted EBITDA is not a comprehensive representation of all the significant transactions the Company recognised throughout the year. For example, it includes government aid received throughout the business for COVID-19 relief as well as gains from sales of assets. On the other hand, it excludes costs incurred to quarantine crews unable to work as a result of COVID-19, contract termination costs, legal fees, and indirect tax write-offs.

4. Discussion and Analysis of Cash Flow

	For the year ended 31 December			
	2020	2019	\$ Change	% Change
	US\$ Millions	US\$ Millions		
Cash provided by operations	57.6	77.0	(19.4)	-25.2%
Net cash flows provided by operating activities	49.4	35.3	14.1	39.9%
Net cash flows used in investing activities	(26.9)	(44.9)	18.0	40.1%
Net cash flows used in financing activities	(18.9)	(11.0)	(7.9)	-71.8%

4.1 Cash Flow Provided by Operating Activities

Cash flow from operating activities for the year ended 31 December 2020 was \$49.4 million, which is an improvement of \$14.1 million compared to 2019 of \$35.3 million. The primary reason for the improvement in cash flows from operating activities was from the successful negotiation to convert the interest payments on the Company's senior secured notes from payment in cash to PIK. The Company also implemented a number of longer-term sustaining initiatives to improve its working capital needs and received \$6.2 million in funds in connection with the Canada Employee Wage Subsidy program.

The Company invested \$32.1 million in capital equipment and research and development to support existing operations during 2020 and prepare it for the impending increase in demand expected through 2021. The investment was lower than the comparable prior period due to the measures implemented by the Company to conserve cash while monitoring the impact of COVID-19 on the business (2019: \$50.7 million). The 2020 capital expenditures have been partially offset by proceeds from the sale of property, plant and equipment of \$5.2 million (2019: \$5.8 million).

The increase in cash flows used in financing activities is primarily due to higher repayment of borrowings and lease facilities.

5. Discussion of the Balance Sheet

The net liabilities of the Company increased by \$87.2 million, to \$469.4 million as at 31 December 2020, compared to \$382.2 million as at 31 December 2019. This increase resulted primarily from the group loss for the year of \$98.8 million.

Total assets of \$609.6 million were \$32.3 million lower than 2019 of \$642.0 million primarily as a result of impairment of property, plant and equipment, reductions in tax receivables and a decrease in working capital balances offset by increases in intangible assets and cash.

Total liabilities increased by \$54.9 million to \$1.1 billion compared to \$1.0 billion in 2019. This is primarily driven by accreted interest for the period.

Liquidity and Debt Facilities

The Company's debt is comprised of the following instruments:

Description	Principal Outstanding as at 31 December 2020 (millions)	Accreted Interest as at 31 December 2020 (millions)	Debt Modification / Applicable Premium ¹⁰	Interest Rate	Scheduled Maturity	Security
Senior Secured Notes (CUSIP: 09664PAJ1)	\$216.4	\$62.3	\$42.9	Variable ²	Dec-22	Second lien on the accounts receivable, inventories, deposit accounts and cash ("Working Capital Assets") of the Term Loan B and Senior Secured Notes guarantors that are not ABL or Backstop ABL guarantors, a third lien on the Working Capital Assets of the Term Loan B and Senior Secured Notes issuer and the other Term Loan B and Senior Secured Notes guarantors that are also ABL or Backstop ABL guarantors, and a first lien on substantially all of the other tangible and intangible assets ("Non-Working Capital Assets") of the Term Loan B and Senior Secured Notes issuer and other guarantors, including equipment, intellectual property, the capital stock of subsidiaries and certain owned real property (in any case, excluding assets of BLY IP, Inc.)
Senior Secured Notes (CUSIP: 09664PAE2)	\$0.6	\$0.0	Nil	10% ⁹	Dec-22	Same as Senior Secured Notes
Term Loan – Tranche B	\$159.8	\$27.9	Nil	8% ³	Dec-22	Same as Senior Secured Notes
ABL ⁸	\$22.9 ¹	Nil	Nil	Variable ⁴	Jul-22	First lien on the Working Capital Assets of the ABL borrower and guarantors and a third lien on substantially all of the Non-Working Capital Assets of the ABL borrower and guarantors, including equipment, intellectual property and the capital stock of subsidiaries (but excluding real property), and in any case excluding assets of BLY IP, Inc., Boart Longyear Suisse Sarl and Boart Longyear S.A.C.
Term Loan – Tranche A	\$132.6 ⁷	\$23.1	Nil	8% ³	Dec-22	First lien on the Working Capital Assets of the Term Loan A guarantors that are not ABL or Backstop ABL guarantors, a second lien on the Working Capital Assets of the Term Loan A issuer and the other Term Loan A guarantors that are also ABL and Backstop ABL guarantors, and a second lien on substantially all of the Non-Working Capital Assets of the Term Loan A issuer and guarantors, including equipment, intellectual property, the capital stock of subsidiaries and certain owned real property (in any case, excluding assets of BLY IP, Inc.)
Backstop ABL ⁸	\$45.0	\$13.0	Nil	11% ⁵	Oct-22 ⁵	Same as ABL but including any real property required to be pledged as security for the Senior Secured Notes
Senior Unsecured Notes	\$88.9	\$4.5	Nil	1.5% ⁶	Dec-22	Unsecured

- (1) Letters of credit of \$5.8 million were issued in addition to the \$23.0 million borrowings that were outstanding.
- (2) Interest is payment-in-kind from 1 January 2020 to 30 June 2020 at an interest rate of 12%. Interest is payment-in-kind from 1 July 2020 to 31 December 2020 at an interest rate of 14.5%. Interest in cash at a reduced interest rate of 10% per annum from 1 January 2021. The effective interest rate on a go-forward basis is 14.4%. Refer to Note 21 for additional information.
- (3) Interest is 8% payment-in-kind.
- (4) Based on LIBOR + margin (grid-based margin is currently 3.25%).
- (5) Interest is payment-in-kind at 11% at the Company's election or 10% cash. Maturity Date is October 2022 or 90 days after the ABL due date.
- (6) Interest is 1.5% payment-in-kind at the Company's election until maturity.
- (7) The secured amounts under Term Loan A and Term Loan B are capped at the base principal amounts as agreed in the recapitalisation 2017 amendments.
- (8) In July 2019 the Company amended terms to provide the Company additional liquidity and extend maturities from July 2020 to July 2022 and from October 2020 to October 2022 for the ABL and Backstop facilities, respectively. See Note 21 for more information.
- (9) Interest in cash at an interest rate of 10% per annum.
- (10) Refer to Note 21 for information on the debt modification and applicable premium.

6. Review of Segment Operations

The following table shows our third-party revenue and revenue from inter-segment sales by our Global Drilling Services and Global Products division. Segment profit represents earnings before interest and taxes.

	Segment Revenue		Segment Profit	
	2020 US\$ Millions	2019 US\$ Millions	2020 US\$ Millions	2019 US\$ Millions
Global Drilling Services	456.3	516.3	8.5	58.3
Global Products revenue				
Global Products third party revenue	201.0	228.7		
Global Products inter-segment revenue ¹	<u>56.4</u>	<u>56.9</u>		
Total Global Products	257.4	285.6	16.4	14.6
Less Global Product sales to Global Drilling Services	(56.4)	(56.9)		
Total third party revenue	<u>657.3</u>	<u>745.0</u>		
Total segment profit			<u>24.9</u>	<u>72.9</u>

(1) Transactions between segments are carried out at arm's length and are eliminated on consolidation.

6.1 Review of Segment Operations - Global Drilling Services

	For the year ended 31 December			
	2020 US\$ Millions	2019 US\$ Millions	\$ Change	% Change
Financial Information				
Third party revenue	456.3	516.3	(60.0)	-11.6%
COGS				
Materials/labor/overhead/other	379.7	405.9	(26.2)	-6.5%
Depreciation and amortisation	28.0	25.9	2.1	8.1%
Total COGS	407.7	431.8	(24.1)	-5.6%
COGS as a % of Revenue	89.3%	83.6%	5.7%	6.8%
Contribution margin \$	41.7	76.9	(35.2)	-45.8%
Contribution margin %	9.1%	14.9%	-5.8%	-38.9%
Business unit SG&A	6.9	7.6	(0.7)	-9.2%
Allocated SG&A	12.1	13.1	(1.0)	-7.6%
EBITDA	50.4	90.3	(39.9)	-44.2%
Other Metrics				
Average # of Operating Drill Rigs	252	284	(32)	-11.3%
Average # of Drill rigs	683	691	(8)	-1.2%

Safety

The Global Drilling Services division's TCIR for 2020 was 1.72, compared to 1.51 for the comparable period in 2019. The LTIR for 2020 was 0.08 compared to 0.02 for the comparable period in 2019. Our focus is on quality Critical Control Verifications and Inspections; applying meaningful corrective actions globally and in a timely manner; increasing vehicle monitoring and improving driver behaviors; increasing supervisory and field level employees' competencies through Competency Training Programs; and reinforcing our EHST fundamentals via regular BITS training specific to regional risk profiles.

Revenue

Global Drilling Services' revenue in 2020 was \$456.3 million, down 11.6% from \$516.3 million in 2019. The year-over-year revenue decrease was driven primarily by the COVID-19 pause through the second and third quarters as governments and customers restricted activities while developing safe work practices to protect employees from the transmission of the COVID-19 virus. Canada, Australia, Asia, and Africa recovered more quickly from COVID-19 restrictions than the United States, Chile, and Argentina. The majority of the year over year decrease in revenue is attributable to these three countries. Prices remained relatively flat compared to the prior year and changes in foreign exchange rates resulted in a \$0.5 million decrease in revenue in 2020 compared to 2019.

Approximately 89% of Global Drilling Services' revenue for 2020 was derived from major mining companies, including AngloGold Ashanti, Barrick, Newmont, and Rio Tinto. Our top 10 Global Drilling Services customers represented approximately 52% of the division's revenue in 2020, with no single contract contributing more than 10% of our consolidated revenue.

Margins

With revenues decreasing from \$516.3 million in 2019 to \$456.3 million in 2020, Global Drilling Services also saw a corresponding decrease in contribution margin. The 2020 contribution margin was \$41.7 million compared to \$76.9 million in 2019, a decrease of \$35.2 million. The decrease in margins is primarily attributable to COVID-19 impacts and not being able to reduce costs as quickly as governments and customers temporarily delayed projects to develop plans to support safe work practices to protect employees and communities from the transmission of the COVID-19 virus.

6.2 Review of Segment Operations - Global Products

	For the year ended 31 December			
	2020 US\$ Millions	2019 US\$ Millions	\$ Change	% Change
Financial Information				
Third party revenue	201.0	228.7	(27.7)	-12.1%
COGS				
Materials/labor/overhead/other	148.9	170.9	(22.0)	-12.9%
Inventory obsolescence	1.8	0.9	0.9	100.0%
Depreciation and amortisation	4.1	3.7	0.4	10.8%
Total COGS	154.8	175.5	(20.7)	-11.8%
COGS as a % of Revenue	77.0%	76.7%	0.3%	0.4%
Contribution margin \$	32.7	33.6	(0.9)	-2.7%
Contribution margin %	16.3%	14.7%	1.6%	10.9%
Business unit SG&A	16.7	16.2	0.5	3.1%
Allocated SG&A	12.6	14.7	(2.1)	-14.3%
EBITDA	24.9	31.0	(6.1)	-19.7%
Other Metrics				
Manufacturing plants	6	6	-	0.0%
Average backlog	33.4	29.5	3.9	13.2%
Inventories ¹	158.3	163.1	(4.8)	-2.9%

(1) Represents total Company inventories including Global Drilling Services, Global Products and Geological Data Services.

Safety

In 2020, the TCIR for the Global Products, including manufacturing, and Geological Data Services combined segment was 1.00 recordable incidents per 200,000 hours worked compared to 0.69 in 2019. The LTIR was 0.14, compared to 0.00 for 2019. As with the Global Drilling Services division, there was a focused effort on Leading Indicator programs.

Revenue

Revenue of \$201.0 million in 2020 is 12.1% lower than 2019 revenue of \$228.7 million for the Global Products segment. Revenues generated from capital equipment, spares, and production tooling were the main drivers contributing to weaker revenue in 2020 relative to the prior period. The decrease in revenues across these product lines were primarily a result of decreased demand in the second and third quarters due to the COVID-19 pandemic that drove governments and customers to delay project activity while they implemented safe work practices to reduce the transmission of the COVID-19 virus.

Margins

While revenue for Global Products was down compared to 2019, contribution margin for the year ended 31 December 2020 were marginally lower over the prior year. Product volume decreases were offset by the benefits achieved from disciplined cost control in both variable and fixed SG&A and material cost decreases. We continue to operate our manufacturing facilities at lean levels, only producing what is required to meet market demand. The Company continues to engage in ongoing cost control and has benefited from COVID-19 related payroll reductions implemented through the first half of 2020.

Backlog

At 31 December 2020, Global Products had a backlog of product orders valued at \$44.6 million. This compares to \$35.9 million at 31 December 2019. Average backlog during the second half of 2020 was \$33.5 million compared to \$33.2 million during the first half of 2020. The increase in our backlog year over year, which we define as product orders we believe to be firm, was driven by an increase in demand for consumables. It should be noted that an order shipped within the same month the order is received does not show up in backlog. Also, there is no certainty that orders in our backlog will result in actual sales at the times or in the amounts ordered.

Intellectual Property

We rely on a combination of patents, trademarks, trade secrets and similar intellectual property rights to protect the proprietary technology and other intellectual property that are instrumental to our Global Products business. As at 31 December 2020, we had 408 issued patents, 428 registered trademarks, 131 pending patent applications and 13 pending trademark applications. We do not consider our Global Products business, or our business as a whole, to be materially dependent upon any particular patent, trademark, trade secret or other intellectual property.

Research and Development

Our Global Products division employs engineers and technicians to develop, design and test new and improved products. We work closely with our customers, as well as our Global Drilling Services division, to identify opportunities and develop technical solutions for issues that arise on site. We believe that sharing best practices amongst our divisions accelerates innovation and increases safety and productivity in the field. This integrated business model provides us with an advantage in product development, and we believe it enables us to bring new technology to the market with speed and reliability. Prior to their introduction, new products are subjected to extensive testing in various environments, again with assistance from our Global Drilling Services network. New product development efforts remain focused on product changes that continue to drive increased safety and productivity, so customers see real added value regardless of the business environment. Our recent successes include the LF160 surface coring drill paired with our Freedom Loader which has set a new benchmark in productivity and hands-free rod handling. Our patented Longyear™ coloured diamond bits continue to show improved productivity by lasting longer and cutting faster. Commercial launch of the new XQ™ coring rod continues globally, featuring a greater depth capacity than the RQ™ rod, and faster, easier joint make/breaks for higher productivity.

Under our Geological Data Services business, TruCore™ electronic core orientation tools continue to expand geographically and are available globally. The TruShot™ electronic magnetic survey technology is the second offering in a future suite of tools and is available globally. We have recently launched our TruSub™ technology. TruSub™ is a digital drill sub technology that fits between the drill head and drill rods. TruSub™ allows for key drilling parameters to be digitally recorded and viewed in real time to drive drilling productivity. We will be rolling this technology out at mine sites this year. We see value in this technology and will continue to develop in this space.

Our Truscan™ matrix calibrated XRF and photo sample scanning technology is currently being used at several locations globally with long term 24/7 utilisation producing results that are being used for real time decision making as part of the mine site workflow by the mining client. TruScan™ continues to spread its footprint globally with additional units being deployed within Australia as well as North and South America. New features utilising artificial intelligence and machine learning continue to be integrated into Truscan™ ensuring it is well differentiated in the market.

These technologies are part of our strategy to provide real-time subsurface resource defining information to mining companies.

Inventories

The business consumed \$3.8 million of cash through the provision of inventory in 2020. Our Supply Chain organisation had a challenging year dealing with the impacts of COVID-19 which included variable demand levels from the customer base as well as challenges associated with traditional logistic lanes (swing of transport lines from airfreight to shipping). Through the first half of the year the business was able to generate cash through lowering the Company's reorder points with demand falling from COVID-19 slowdowns and shutdowns globally, as well as implementing a number of initiatives to improve the supply chain process and carrying levels of inventory. For the year ended 31 December 2020, the business implemented a scrapping program removing \$1.8 million of obsolete inventory that will support a reduction in carrying costs going forward. In addition, the Company reevaluated several key assumptions in the calculation of our allowance for excess or obsolete inventory resulting in an increase to the current year obsolescence expense of \$5.0 million and contributing to an overall increase to the allowance balance of \$23.5 million, up from the \$20.3 million at 31 December 2019. With industry metrics improving and customer demand increasing through the second half of the year the business reinstated and increased stocking levels to support current and forecasted near term demand. The business will remain focused through 2021 to improve its inventory turns and improve inventory health however we do anticipate the need to increase inventory levels to ensure continued support through to our customers.

7. Outlook

7.1 Our 2021 Priorities

Continue to eliminate job related injuries and significant safety risks by maintaining and enhancing our strong safety and compliance record. Safety is critical to the Company, our employees and our customers, both in determining the success of our business and in ensuring the ongoing well-being of our employees and others with whom we come into contact. We are dedicated to providing a safe work environment for every employee and contractor and implementing state-of-the-art safety tools and practices to become the safety leader in our industry. We are particularly focused on critical risks, continually seeking ways to mitigate those risks and ensuring that, when significant incidents or high-potential near-misses occur, we thoroughly investigate the root causes of those incidents and apply the lessons learned from them broadly. We also promote a culture where employees and managers at all levels are actively engaged in promoting safe work practices.

The areas of focus for safety for 2021 will be the continuous improvement of the EHS Team Leading Indicator KPIs which include: Critical Risk Management – Critical Control Verifications and Inspections, Boart Longyear Integrated Training System (“BITS”) assigned training modules, In-Vehicle Monitoring System focused on Driver Behavior Improvements, and Corrective Action closure metrics. A competency training program will be implemented to focus on developing and documenting our entry level employee’s abilities to perform tasks safely.

Expand our mining and minerals drilling customer base by focusing on efficiency and productivity.

We remain focused on providing our customers with a full range of drilling services offerings. Our commitment is underpinned by initiatives to improve the efficiency and productivity with which we deliver services and information to our customers. Specifically, our goal is to increase our business with our existing customers and find new ways to partner with existing and potential new customers to grow our business.

Effectively manage customer relationships, pricing and contract terms. Our Global Drilling Services and Global Products businesses have implemented rigorous internal processes to ensure our products and services reflect the full value delivered to our customers and to solidify and create lasting customer relationships.

Create new products and respond to new opportunities within a constrained capital budget. We will continue to pursue disciplined investments in our business to drive returns and capitalise on high-value opportunities in which we can leverage distinctive competencies. We will also continue to pursue strategic technologies and high value-added and more profitable activities, such as expanding our product and services offerings to provide subsurface resource information to our mining customers through our Geological Data Services business.

Improve cash generation in 2021, with the goal to continue to be cash positive, through careful management of liquidity and costs. Ongoing improvement in cash generation in 2021 is a primary goal for the business, which we intend to achieve through continued disciplined expense and capital management, opportunistic cost reductions and productivity enhancements. We will continue to drive business initiatives focused on improving our fixed and variable cost structures in key areas of the business and we expect these benefits to improve liquidity in 2021 and beyond. Furthermore, we will continue to focus on process improvements, streamlined working capital management and structural changes to improve customer support and responsiveness and drive long-term efficiencies by embedding a cash return on investment metric throughout the organisation.

7.2 Outlook and Future Developments

We are not providing an outlook for 2021 revenue or EBITDA. However, a stronger industry outlook, in combination with our productivity and commercial initiatives are making a positive impact. We anticipate seeing ongoing gains from those identified initiatives which we continue to actively manage.

The mining industry is cyclical and the latter half of 2020 showed encouraging signs pointing toward a period of sustained demand growth in commodities, underpinned by:

- continuing trend towards green energy production and consumption, driving demand for key commodities like copper;
- increased traction of electrification of the world’s vehicle fleets;
- continued industrialisation and urbanisation of developing economies, which are expected to support structural increases in demand for minerals and metals broadly in line with global GDP;
- COVID-related government stimulus programs;
- improving cash and balance sheet strength of our key customers;
- reduced reserve to production ratios at many gold mines;
- diminishing opportunities for major producers to replace reserves through acquisition; and
- growing attractiveness of the commodities / mining sector as an investment asset class.

As a result, we retain confidence in our belief that natural resources companies will continue to produce throughout the cycle. This will continue to drive the need to both replace and supplement ongoing depletion of reserves and resources, driving future investment in exploration, development and capital spending. As the leading global drilling services provider to the mineral industry, we continue to drive operational improvements and technological innovation across our global fleet of assets, which we believe will continue to benefit the business through increased market opportunities.

We remain focused on our core mining markets and intend to continue to invest in growth opportunities in a selective and disciplined manner. We will continue to invest to develop the next generation of rod-handling solutions across our range of drilling rigs and expand the provision of subsurface resource information to our mining customers through our Geological Data Services business. In addition, we continue to pursue operational enhancements through safety and productivity improvements to deliver value to our customers and improve bottom line operating performance of our business.

Further information about likely developments in the operations of the Company in the future years, expected results of those operations, and strategies of the Company and its prospects for future financial years have been omitted from this report because disclosure of the information would be speculative or could be prejudicial to the Company.

7.3 Key Risks

The Company maintains an Enterprise Risk Management (“ERM”) system by which we systematically assess the consequences of risk in areas such as market, health and safety, environment, finance, legal compliance, and reputation. We also identify and track appropriate mitigation actions for identified risks. A range of material risks have been identified, as follows, that could adversely affect the Company. These risks are not listed in order of significance, nor are they all-encompassing. Rather, they reflect the most significant risks identified at a whole-of-entity or consolidated level.

Market Risk. The Company’s operating results, financial condition and ability to achieve shareholder returns are directly linked to underlying market demand for drilling services and drilling products. Demand for our drilling services and products depends in significant part upon the level of mineral exploration, production and development activities conducted by mining companies, particularly with respect to gold, copper and other base metals. In prior years we have experienced significant declines in our financial performance as a result of the global contraction in exploration and development spending in the commodities sector, and the subsequent impact on our mining customers. Mineral exploration, production and development activities remain uncertain and could remain at current levels for an extended period of time or decline even further, resulting in adverse effects on our operating results, liquidity and financial condition.

We seek to mitigate the risk associated with volatility and weak demand conditions in our core mining markets by selectively pursuing opportunities in other markets, such as infrastructure and geotechnical applications for our Global Products business, and new technology offerings such as our Geological Data Services business. In addition, our business priorities include ongoing initiatives to further improve the underlying cost structure and simplify the business. We also seek to gain market share and expand our customer base in our core mining market by improving the efficiency and productivity with which we deliver services and information and improve commercial practices for better alignment with our customers’ needs.

Operational Risks. The majority of our drilling contracts are either short-term or may be cancelled upon short notice by our customers, and our products backlog is subject to cancellation. We seek to strengthen customer relationships and lessen retention risks through active customer selection, improved commercial practices and ongoing initiatives targeted at strengthening our operational and safety performance. We also pursue contracting practices to minimise the financial cost associated with the termination or suspension of customer contracts or orders. The degree to which we can allocate termination risks and obligations to our customers remain somewhat limited by industry practice.

We have implemented significant cost savings, productivity improvements and efficiencies over the past five years, but our future operating results, financial condition and competitiveness depend on our ability to sustain previously implemented reductions and realise additional savings and improvements from ongoing and future productivity initiatives. We may not be able to achieve expected cost savings and operational improvements in anticipated amounts or within expected time periods, and, if achieved, we may not be able to sustain them. Accordingly, we have implemented a project management organisation and rigorous monitoring processes around our key operational improvement programmes to track progress against project objectives, quantify results that are being achieved and ensure process improvements are sustainable.

Risks Related to Liquidity and Indebtedness. At 31 December 2020, our net debt was \$855.1 million, with \$878.6 million in gross debt and \$23.5 million of cash on hand. The Company also has an additional \$36.2 million of liquidity available through the Asset-Based Loan (“ABL”) facility. The instruments comprising the Company’s debt and their terms are set out in detail in Note 21 of the financial statements.

The annual financial report has been prepared on a going concern basis, which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors reaffirm that current and expected operating cash flow, cash on hand and available drawings under the Company's asset-based loan facility provide sufficient liquidity to meet its debts as and when they fall due. Refer to Note 1 of the financial statements for a more detailed discussion on the Company's ability to continue as a going concern. The long-term solvency of the company ultimately depends on the success of the strategic review in reducing the company's debt levels.

Tax Risk. As previously disclosed and further detailed in Note 10 of the financial statements, the Company is contesting a series of tax audits performed by the Canada Revenue Agency ("CRA"). We also are responding to audits that are underway or anticipated to be performed by the CRA. The resolution of existing and potential assessments by Canadian tax authorities may adversely affect our liquidity. While the timing and resolution of the Company's appeals of the CRA's assessments are uncertain, we are pursuing strategies to mitigate the risks of an adverse outcome with the assistance of our external legal and tax counsel.

Government and Regulatory Risk. Changes in, or failure to comply with, the laws, regulations, policies or conditions of any jurisdiction in which we conduct our business could have a material adverse effect on our financial condition, liquidity, results of operations and cash flows. Our operations are subject to numerous laws, regulations and guidelines (including anti-bribery, tax, health and safety, human rights and modern slavery, and environmental regulations) that could result in material liabilities or increases in our operating costs or lead to the decline in the demand for our services or products. We therefore carefully monitor, and educate our employees and business partners about, legal requirements and developments to make sure our operations remain aware of applicable laws and regulations at all times. Further, we have implemented various internal and external resources and controls to promptly detect and address any potential non-compliance.

Climate Related Risks. The potential impacts of climate change may affect the execution and performance of business strategies as well as the Company's ability to operate and provide goods and services globally. The Company is currently evaluating the potential impacts of climate change on our strategies, customers and markets in which we operate. However, an assessment of these impacts on global markets, regulatory policies, and technologies are not clear due to the wide range of issues and potential outcomes.

Information and Technology Risk: The legal, regulatory and contractual environment surrounding information security, privacy and fraud is constantly evolving and companies that collect and retain information are under increasing attack by cyber-criminals around the world. We are dependent on information technology networks and systems, including the Internet, to process, transmit and store electronic information and, in the normal course of our business, we collect and retain certain information, including financial information and personally identifiable information, from and pertaining to our customers, partners, vendors, and employees. The protection of data is important to us, and we have information security policies to protect our information and information systems. However, the policies and security measures that we put in place could prove to be inadequate and cannot guarantee security, and our information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents due to employee negligence, error, malfeasance, or other vulnerabilities. Cyber security attacks are increasingly sophisticated, change frequently, and often go undetected until after an attack has been launched. We may fail to identify these new and complex methods of attack or fail to invest sufficient resources in security measures. We have and will continue to experience cyber-attacks, and we cannot be certain that advances in cyber-capabilities or other developments will not compromise or breach the technology protecting our networks.

Public Health Risk: The Company's global operations, manufacturing facilities, employees, suppliers and customers have been and may continue to be impacted by COVID-19 related issues. As a result of the evolving nature of the COVID-19 pandemic, as at the date of these financial statements, the Company is not in a position to reasonably estimate the continued financial effects of the COVID-19 pandemic on the future performance and financial position of the Company.

7.4 Forward Looking Statements

This report contains forward looking statements, including statements of current intention, opinion and expectation regarding the Company's present and future operations, possible future events and future financial prospects. While these statements reflect expectations at the date of this report, they are, by their nature, not certain and are susceptible to change. The Company makes no representation, assurance or guarantee as to the accuracy of or likelihood of fulfilling any such forward looking statements (whether express or implied), and, except as required by applicable law or the Australian Securities Exchange Listing Rules, disclaims any obligation or undertaking to publicly update such forward looking statements.

REMUNERATION REPORT

This remuneration report has been prepared in accordance with section 300A of the Australian *Corporations Act 2001* (Cth) and summarises the arrangements in place for the remuneration of directors, Key Management Personnel (“KMP”) and other employees of Boart Longyear for the period from 1 January 2020 to 31 December 2020.

Changes in 2020

Each of the changes outlined below were carefully designed to support the key strategic, financial and human resources objectives of the Company.

COVID-19 Impact on Compensation – In response to COVID-19 and its far-reaching economic consequences, Boart Longyear made changes to compensation levels as a means to preserve jobs during this unprecedented time, as well as to conserve cash. As part of the cost reduction measures, the Board, CEO and all Group executives elected to temporarily reduce their cash remuneration by 75-100% collectively from April to June of 2020.

In 2020, the Remuneration Committee recommended to the Board of Directors that an uplift be applied to calculate Corporate Bonus Plan (“CBP”) performance measures given the extenuating circumstances created by the pandemic, which were out of management’s control, and to recognise management’s efforts to preserve value in the business despite a changing and very uncertain external environment.

Changes in Executive Leadership – Mr. Robert Closner, Vice President, General Counsel & Company Secretary, ceased direct employment with the Company on 15 February 2020; however, Mr. Closner retained his role as Company Secretary through 13 August 2020. Ms. Nora Pincus joined Boart Longyear as Chief Legal Officer, General Counsel and Company Secretary, effective 13 August 2020. Ms. Pincus serves on the Executive Committee and reports to Mr. Jeffrey Olsen, Chief Executive Officer.

Furthermore, Mr. Brendon Ryan, Chief Business Development Officer, ceased employment as of 14 September 2020.

Introduction of the 2020 Equity Incentive Plan – Effective 30 July 2020, shareholders approved a Long-Term Equity Incentive Plan (“Equity Incentive Plan”). The Equity Incentive plan allows the Remuneration, Nominations and Governance Committee (“Remuneration Committee”) to grant incentive performance stock units to senior leaders, or others, as appropriate. This Committee establishes performance metrics that management and senior leaders will have to achieve to vest in these stock units. The Equity Incentive Plan will terminate 10 years after the effective date of 30 July 2020. No performance stock units were awarded under the Equity Incentive Plan during the year ended 31 December 2020.

The role of the Remunerations Committee, amongst other duties, is to provide oversight and exercise discretion in the administration of Executive and Board compensation. Given tumultuous times in 2020 related to COVID-19 and changing market conditions that have impacted compensation, the Remuneration Committee will be assessing management compensation challenges and responses in order to ensure our personnel are remunerated appropriately to retain our talent.

1. 2020 REMUNERATION OVERVIEW

The following principles guide our decisions about executive remuneration at Boart Longyear:

- Performance: Drive performance consistent with Boart Longyear’s strategic objectives.
- Alignment: Create shareholder value by aligning with shareholder interests.
- Culture: Establish a culture that promotes safety, diversity, retention and employee satisfaction.
- Market: Reflect market conditions of the business, geography and industry.

This Report sets out the remuneration arrangements in place for the KMP of the Company for the purposes of the Corporations Act and the Accounting Standards, being those persons who have authority and responsibility for planning, directing, controlling and overseeing the activities of the Company, directly or indirectly, including the Non-Executive Directors.

1.2 DIRECTORS AND SENIOR EXECUTIVES

Directors and senior executives who were KMP during the year ended 31 December 2020 were:

Directors	Position	Senior Executives	Position
Kevin McArthur	Non-executive Chairman	Jeffrey Olsen	President and Chief Executive Officer
Tye Burt	Non-executive Director	Denis Despres	Chief Operating Officer
Kyle Cruz	Non-executive Director (retired 17 Jan 2020)	Miguel Desdin	Chief Financial Officer
Jason Ireland	Non-executive Director	Nora Pincus	Chief Legal Officer, General Counsel & Company Secretary (appointed effective 13 Aug 2020)
James Kern	Non-executive Director	Robert Closner	Vice President, General Counsel & Company Secretary (ceased employment 13 Aug 2020)
Rubin McDougal	Non-executive Director (appointed effective 1 Mar 2020)	Kari Plaster	Chief Human Resources Officer
Jeffrey Olsen	Executive Director	Brendan Ryan	Chief Business Development Officer (ceased employment 14 Sep 2020)
Robert Smith	Non-executive Director		
Conor Tochilin	Non-executive Director (appointed effective 17 Jan 2020)		
Richard Wallman	Non-executive Director (retired 29 Feb 2020)		

1.3 REMUNERATION OUTCOMES

The table below summarises actual remuneration earned by senior executives who were KMP. This information is relevant as it provides shareholders with a view of the remuneration actually paid to executives for performance for the year ended 31 December 2020. This differs from the remuneration details prepared in accordance with statutory obligations and accounting standards, which are reported on page 29 of this Report. The remuneration calculations reported there are based on the Accounting Standards principle of “accrual accounting” and, consequently do not necessarily reflect the amount of compensation an executive actually realised in a particular year.

Compensation represents base salary. Short Term Incentives (“STI”) represent the cash paid in respect of the executive’s STI award earned for the prior year’s performance but paid in the current reporting year, Long Term Incentives (“LTI cash”) refers to cash rights granted in 2017 which vested in 2020. See table 5.4 for movements in Cash Rights. “Other” represents benefits such as US 401(k) retirement plan contributions, car allowances, relocation pay, tax preparation service reimbursements, accrued and unused vacation as of the date of ceased employment, sign-on bonuses and other bonuses granted and paid in 2020.

Sr. Executive Remuneration US\$	Compensation ¹	STI ²	LTI cash	Other	Total
Jeffrey Olsen	558,173	494,775	132,755	34,053	1,219,756
Denis Despres	330,769	184,800	66,378	26,245	608,192
Miguel Desdin	351,923	168,960	-	29,850	550,733
Nora Pincus ³	120,000	-	-	41,435	161,435
Robert Closner ⁴	46,380	81,802	-	7,388	135,570
Kari Plaster	255,144	92,104	-	27,132	374,380
Brendan Ryan ⁵	228,462	165,840	66,378	21,824	482,504

(1) Due to COVID-19, the Senior Executives agreed to reduce their compensation as follows:

- Mr. Olsen and Mr. Despres received 50% of their agreed upon compensation for the two weeks ending 10 April 2020 and did not receive any further compensation until 2 July 2020.
- Mr. Ryan received 50% of his agreed upon compensation for the two weeks ending 10 April 2020 and subsequently received 25% of his compensation from that date until 2 July 2020.
- Ms. Plaster and Mr. Desdin received 63% of their agreed upon compensation for the two weeks ending 10 April 2020 and subsequently received 25% of their compensation from that date until 2 July 2020.

(2) Represents the cash paid in respect of the executive’s STI earned for the prior year’s performance but paid in the current reporting year. For further details of the STI plan, see section 3.2.

(3) Ms. Pincus was hired on 13 August 2020, as such, her actual remuneration reflects partial year of earnings from her date of hire. Ms. Pincus was given a \$75,000 sign-on bonus that will be paid in two installments, one payment of \$30,000 upon her joining the Company and a second payment of \$45,000 to be paid on her first anniversary.

(4) Mr. Closner’s direct employment with the Company ceased on 15 February 2020; however, he retained the role of Company Secretary through 13 August 2020. Therefore, Mr. Closner’s remuneration reported above reflects his earnings from 1 January 2020 to 15 February 2020 along with 2019 STI (paid in 2020) and his accrued and unused vacation is included in the “Other” category.

(5) Mr. Ryan ceased employment on 14 September 2020.

1.4 EXECUTIVE REMUNERATION STRATEGY

The Board recognises that appropriate remuneration for BLY executives and other employees is linked to the attraction, development, performance and retention of top-level talent and human capital. Given the current economic climate and the ongoing skills shortage, it is essential that adequate measures are in place to attract, motivate, reward and retain the required skills. In order to meet the strategic objectives of a high-performance organisation, the remuneration philosophy is positioned to reward strong performance and to maintain that performance over time.

The primary objectives of Boart Longyear’s policy are to:

- attract, motivate, reward and retain key talent;
- promote the organisation’s strategic objectives, within its risk appetite;
- promote positive outcomes across the geographies where we operate; and
- promote an ethical culture and behaviour that are consistent with Company values and which encourages responsible corporate citizenship.

2. REMUNERATION FRAMEWORK AND STRATEGY

This section outlines the Company’s remuneration governance framework and strategy and explains how the Board and Remuneration Committee make remuneration decisions that underpin the remuneration for senior executives, including the use of external remuneration consultants.

The diagram below illustrates the primary design features of the Company’s executive remuneration strategy and how the components of overall remuneration have been designed to support them:

Attraction and Retention	Best Practice	Fairness and Alignment	Pay for Performance
<ul style="list-style-type: none"> ▪ Accurate and up-to-date market information and information on trends is a crucial factor in determining the quantum of the remuneration packages. ▪ Remuneration levels are competitive with similar roles in the markets in which the Company competes for talent. ▪ Fixed and at-risk remuneration is appropriately industry and market competitive. ▪ Long-term incentive compensation provides for meaningful retention. ▪ The long-term incentive component is delivered through the Management Incentive Plan and equity incentive plans. 	<ul style="list-style-type: none"> ▪ Reward packages and practices reflect local and international best practice. ▪ There is a significant amount of total executive remuneration which is at-risk and dependent upon achieving challenging key business objectives and safety targets. ▪ Performance management assists in indicating the overall total rewards for each Executive Committee member. ▪ Compensation is relevant and meaningful to the executive receiving it. 	<ul style="list-style-type: none"> ▪ Remuneration Committee regularly performs executive compensation benchmarking utilising independent compensation consultants. ▪ Reward measures for executives are aligned with, linked to and influenced by the interests and strategies of the Company and its shareholders. ▪ The aspiration is that our remuneration philosophy, policy and practices, as well as the processes to determine individual pay levels are transparent. ▪ Where performance achievements are subsequently found to have been misstated, clawback provisions are made for redress. 	<ul style="list-style-type: none"> ▪ The framework encourages consistency, and allows for differentiation where it is fair, rational and explainable. ▪ Incentive based compensation is designed to reward executives for delivered performance against important Company, safety, financial and strategic objectives. ▪ Incentive plans utilise an appropriate mix of challenging performance measures designed to deliver value to executives when performance is achieved over short and longer terms. ▪ Incentive based compensation provides for upside potential with strong performance.

2.1 HOW REMUNERATION DECISIONS ARE MADE

Board Responsibility

The Board acknowledges its responsibility for the remuneration arrangements of the Executive team and ensures that those arrangements are equitable and aligned with the long-term interests of the Company and its shareholders. In performing this function and making decisions about executive remuneration, the Board is informed by and considers input from management but retains independent decision-making authority. To assist in making decisions related to remuneration, the Board has established a Remuneration Committee.

Remuneration Committee

The Remuneration Committee has been established to assist the Board with remuneration issues and is responsible for ensuring that the Company compensates appropriately and consistently with market practices. The Remuneration Committee also seeks to ensure that the Company's remuneration programs and strategies will attract and retain high-calibre Directors, executives and employees, motivate them to maximise the Company's long-term business and create value for shareholders, and support the Company's remuneration related principles.

The Remuneration Committee's responsibilities include:

- reviewing strategic objectives;
- reviewing, monitoring and overseeing the implementation of the executive remuneration policy;
- reviewing all aspects of remuneration of the CEO and the proposed remuneration of other KMP, including any proposed change to the terms of their employment and any proposed termination payments;
- reviewing executive incentive plans, including equity-based plans and including consideration of performance thresholds and regulatory and market requirements;
- developing performance thresholds for the CEO and reviewing proposed performance thresholds for other KMP;
- reviewing and approving performance achievement relative to executive incentive plans;
- overseeing strategies for recruitment, retention and succession planning for Directors and key executive positions;
- reviewing the composition of the Board and monitoring the performance of the Board and the Directors;
- overseeing the Company's compliance and ethics program, including compliance with legal and regulatory requirements other than those related to accounting or financial reporting (which are the responsibility of the Audit Committee), and from time to time, discuss with management the Company's compliance and ethics program, as well as the status of pending litigation and/or investigations related to the compliance hotline as well as environmental issues and other areas of oversight, as may be appropriate;
- overseeing the Company's policies and initiatives related to Corporate, Environmental and Social Responsibility and General Corporate Governance;
- overseeing the Company's compliance with the Code of Conduct, including periodically reviewing and updating the Code of Conduct, and evaluating any actual or potential conflicts of interest of directors, and management's activities to monitor compliance with the Code of Conduct;
- identifying the qualities and characteristics the Board needs and drafting recruitment plans to draw qualified board director candidates to them;
- arranging for board trainings and development; and
- reviewing and implementing board policies and procedures.

The charter of the Remuneration Committee is set out in full on the Company's website at www.boartlongyear.com.

The Remuneration Committee members as at the date of this Report are Mr. Tye Burt, Chairman of the Committee, and Messrs. Jason Ireland and Conor Tochilin. The CEO, the Chief Human Resources Officer and other members of senior management attend meetings of the Remuneration Committee, as appropriate, to provide information necessary for the Remuneration Committee to discharge its duties. Individual executives do not attend or participate in discussions where recommendations regarding their own circumstances are determined.

Use of Remuneration Consultants and/or External Advisors

Where appropriate, the Board seeks and considers advice from independent remuneration consultants and external advisors. Remuneration consultants are engaged by, and report directly to, the Remuneration Committee and support it in assessing market practice so that base salary and targeted short-term and long-term compensation are in line with comparable roles. When remuneration consultants are engaged, the Remuneration Committee ensures their independence, as necessary, from Company management in accordance with the assignment or advice being sought. Thus, the Remuneration Committee may determine that complete independence from management is required, or it may direct the consultant to work with Company management to obtain relevant information or input to formulate advice or recommendations to the Remuneration Committee.

The Remuneration Committee has also established a formal protocol that summarises the policy and procedures the Company has adopted to govern the relationship between the independent remuneration consultant, the Remuneration Committee and management. The protocol was developed in compliance with the obligations under Part 2D.8 of the *Corporations Act 2001* (Cth) and ensures that the remuneration consultant remains free from any undue influence by any member of the KMP to whom the recommendations relate. Consultant remuneration recommendations are provided directly to the Remuneration Committee.

In 2020, the Remuneration Committee relied on the external review of Certent as subject matter experts as well as key Centerbridge Partners in the creation of the Equity Incentive Plan. While no awards under this plan were granted in 2020, the new plan has been communicated to relevant employees and will be administered by Certent.

In addition, the Remuneration Committee continued to rely on the independent market review of KMP compensation obtained from Mercer Consulting. The Company also utilises the AON Radford Network, FW Cook's Director Compensation Report Studies, and Egon Zehnder for global rewards benchmarking, workforce metrics and analytics.

2.2 REMUNERATION COMPENSATION STRATEGY

There are several components of an executive's total compensation opportunity: fixed compensation, short and long-term incentives as well as non-monetary benefits.

Fixed Remuneration: guaranteed package delivered as a cash salary and mix of compulsory and discretionary benefits reflects market-relatedness in conjunction with the individual's background, competence and potential. This component provides:

- A predictable base level of compensation commensurate with the executive's scope of responsibilities, leadership skills, values, performance and contributions to the Company.
- Targets near the median of the competitive talent market using external benchmarking data. Since the majority of the Company's executives (and a majority of the executive KMP) are located in the US, the competitive talent market is determined to be the US market.
- Variability around the median based on the experience, performance, skills, position, business unit size and/or complexity and unique market considerations, where necessary.

Short-Term Incentive Program: creates a high-performance culture by providing a cash bonus annually. This is determined based on role and responsibility as well as achievement against predetermined performance metrics for business and personal goals.

- This component of compensation is "at-risk" and earned when certain performance metrics are achieved.
- Key performance metrics are determined annually, in alignment with the Company's business strategy. They include some measure of the following (or related) metrics: cash return on investment, adjusted EBITDA, safety performance, and individual strategic goals.
- These metrics are designed to reflect corporate as well as business unit level performance. This helps to ensure rewards are relevant and affordable as well as reflective of performance. The metrics weight performance in areas which build and promote safety and collaboration and ensure alignment to business strategy and shareholder interests.
- Individual strategic goals can include financial, operational, strategic or project-based targets. Examples include items such as, milestone achievement, revenue growth, cost control goals, cash flow generation, geographic expansion, and productivity programs.
- The STI is awarded in cash and will either be paid all at once, or in a staggered fashion, dependent on key business factors at the discretion of the Board.

Long-Term Incentive Program: based on the individual's performance and value to the business. It is achieved through achievement and alignment with shareholder interests.

- This component of compensation is "at-risk" and earned only if challenging performance metrics are achieved and/or continued service requirements are met over a multi-year performance period.
- In January of 2018, the long-term incentive plan ("LTIP") design changed, with the termination of the LTIP and approval of the Management Incentive Plan ("MIP"). LTIP was replaced with the new MIP. The MIP is driven by Total Enterprise Value ("TEV"). The MIP creates value for participants when specific criteria are reached for performance as well as time vesting. The MIP enables cash and/or share releases to participants as and when its shareholders monetise their shareholdings at various volumes.
- Effective 30 July 2020, shareholders approved a Long-Term Equity Incentive Plan ("Equity Incentive Plan"). The Equity Incentive plan allows the Remuneration Committee to grant incentive performance stock units to senior leaders, or others, as appropriate. The Remuneration Committee will set performance metrics that management and senior leaders will have to achieve to vest in the stock units. The Equity Incentive Plan will terminate 10 years after the Effective Date. No performance stock units were awarded under the Equity Incentive Plan during the year ended 31 December 2020.

Other Benefits (Monetary and Non-monetary): provided to ensure executive compensation remains relevant and executives are well cared for.

Non-monetary Benefits include: meaningful work, access to continuous learning and professional growth, recognition and appreciation, career advancement and in some cases flex schedules and/or tele-commuting.

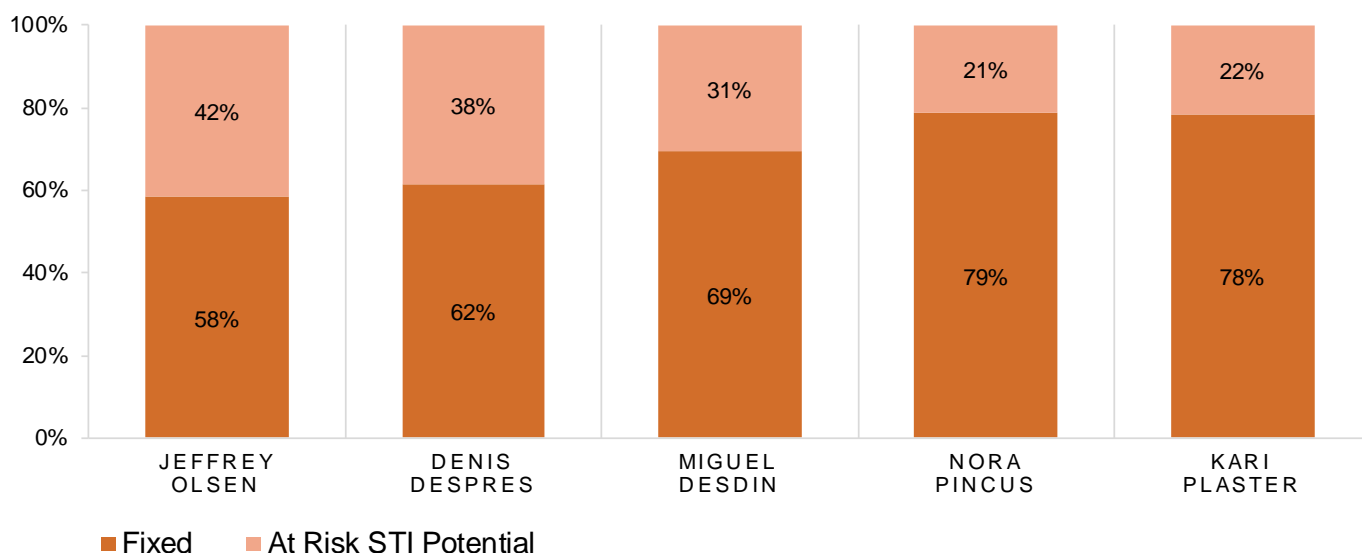
Additional Monetary Benefits include: various types of insurance: D&O, life, and regionally based health and welfare insurance for employee and family members; as well as vehicle allowances and/or other regionally based perks.

3. COMPONENTS OF EXECUTIVE REMUNERATION

Total remuneration for the CEO and senior executives is made up of fixed remuneration (consisting primarily of base salary and superannuation contributions (or the foreign equivalent, such as the United States' 401(k) payments) and variable "at-risk" remuneration. The variable remuneration has two "at-risk" components:

- STI – being an annual bonus granted under the performance-related Company's CBP; and
- LTI – being incentives which are tied to vesting conditions, such as EBITDA performance hurdles, and TEV.

The relevant proportion of fixed to at-risk components for senior executive remuneration during 2020 are shown below. The table illustrates the annualised remuneration mix for executive KMP, including annualised fixed salary and target STI (assuming 100% of target bonus performance is achieved).



3.1 FIXED REMUNERATION

The fixed component of executive remuneration consists primarily of base salary. Senior executives also receive other benefits, such as a vehicle allowance. In addition, the Company contributes to retirement programs, such as the United States' 401(k) defined contribution retirement plan.

Base salaries are reviewed annually by the Remuneration Committee (or, for the CEO, by the Board) and may be adjusted as appropriate to maintain market competitiveness and/or to make adjustments based on merit in accordance with the CEO's recommendation. Base salaries are benchmarked against external data.

3.2 SUMMARY OF THE SHORT-TERM INCENTIVE PROGRAM

The Short-Term Incentive program, or Corporate Bonus Plan (“CBP”), provides certain employees with the potential to receive an annual bonus if the Company meets annual financial and safety objectives, which are reviewed and approved by the Remuneration Committee.

Potential target incentives under the CBP range between 10% and 100% of an employee’s base salary depending on the employee’s role. The actual bonus that an employee will receive under the CBP (if any) will vary depending on the Company’s and the individual’s performance against established annual objectives and targets, as detailed more fully below.

There are four key Company performance components: (1) cash return on investment; (2) adjusted EBITDA; (3) Safety; and (4) an individual component. Each component has a target level of performance and a maximum stretch level of performance whereby superior results can drive a pay-out up to 200% of that component of the bonus. All bonuses awarded under the CBP are paid in cash.

The CBP performance components for 2020 and their relative weighting are:

(1) Corporate Financial Target - Cash Return on Investment (“CRI”) - 25% of the Company’s CBP opportunity is linked to the Company’s CRI performance. For the purposes of calculating CRI, the last twelve month adjusted EBITDA is divided by Gross Fixed Assets plus net working capital (“NWC”). Gross Fixed Assets plus NWC is calculated by using fixed assets balance at the first of the year and then adding current year capital expenditures plus closing trade receivables and closing inventory. This amount is then reduced by current year sales of fixed assets and closing trade payables.

The CRI metric was selected to ensure appropriate focus on the critical need to generate cash to fund ongoing operations and reduce debt.

(2) Corporate Financial Target – Adjusted EBITDA - 60% of the Company’s CBP opportunity is linked to the Company’s Adjusted EBITDA performance. For the purposes of calculating Adjusted EBITDA, Statutory EBITDA plus significant items, impairment of assets and other significant non-restructuring transactions outside the ordinary course of business equals Adjusted EBITDA.

(3) Corporate Non-Financial Target - Safety - 15% of the Company’s CBP opportunity is dependent upon the Company’s overall safety performance.

The Board and management believe that a component of the CBP based on safety results appropriately focuses Company employees on adopting safe work practices, continuously identifying ways to reduce or eliminate hazards or unsafe behaviours and getting employees home safely every day. Further, safety is paramount to the Company’s customers, and the Company’s ability to secure or retain work is impacted by its safety performance.

For 2020, the Board agreed on the recommendation of its Audit, Safety and Risk Committee to use TCIR, LTIR, Critical Risk Incident Rate and a set of leading indicators as the measurements of safety performance for the CBP.

(4) Individual Strategic Objectives - 100% of the Individual Strategic Objective CBP opportunity is dependent upon performance against strategic objectives relevant to the employee’s operational or functional responsibility. Examples of strategic objectives may include operational or functional cost targets, geographic or targeted market segment or customer growth, new product introductions, leadership, talent retention and development and specific project or initiative progress. Individual objectives carry individual proportions of 100%.

Strategic objectives are utilised to reinforce continued focus on critical initiatives and operational or functional priorities that have a positive impact on current and/or future business performance. Stretch performance on strategic objectives can be achieved to a maximum of 200% of the weighting of this component. Depending on the nature of the objective, stretch performance can be defined when the objective is approved at the beginning of the year, or in some circumstances be determined by the CEO and approved by the Board at the end of the year. The Board has discretion to modify the amount of the strategic objective award up or down as appropriate.

COVID-19 impact on 2020 CBP

Financial targets for the 2020 CBP were set prior to the onset of COVID-19, which had a material, negative impact on revenue in all regions. In the Remuneration Committee's opinion, management's actions to preserve value in the business, in the face of extenuating circumstances, warranted an uplift to the CBP. Leadership took swift and difficult decisions to reduce pay across the business. The Executive Committee took pay-cuts from April to June of 2020 ranging from 75% to 100%. They also instituted pay-cuts across the rest of the business, trying at all times to exclude field related employees.

These COVID-19 mitigation measures were taken by management to address operational delays and shutdowns as the pandemic spread across the globe. The measures included entering new geographies, managing capital expenditures, and reducing operating expenses whilst supporting ongoing activities of our key customers. The objective of the measures was to preserve liquidity whilst recognising the longer-term fundamentals of the industry. Safety and environmental values were never compromised.

The Remuneration Committee decided to increase the CBP performance payout to a company-wide 59% (compared to a possible 200%) to better reflect the efforts and sacrifices of employees to preserve value. This outcome recognised a performance achievement of both the CRI and EBITDA KPI's at a minimal level of achievement, while reflecting actual performance on safety and environmental KPI's.

3.3 EXECUTIVE REMUNERATION CLAWBACK POLICY

The Company has an incentive compensation clawback policy applicable to current and former senior executives, including the KMP listed in this report, as well as any other management of the Company who participated in the Company's incentive compensation plans. The policy is applicable to incentive compensation including bonuses, awards or grants of cash or equity under any of the Company's short or long-term incentive or bonus plans where bonuses, awards or grants are based in whole or in part on the achievement of financial results. If the Board determines that a covered employee was overpaid as a result of his or her fraud or willful misconduct that requires a restatement of the reported financial results, the Board may seek to recover the amount of the overpayment by a repayment or through a reduction or cancellation of outstanding future bonus or awards. The Board can make determinations of overpayment at any time through the third fiscal year following the year for which the inaccurate performance criteria were measured.

4. PERFORMANCE AND RISK ALIGNMENT

Below is a summary of the year-over-year operating performance which underpins the compensation program. Net debt excludes the impact of recapitalisation transactions, letters of credit, CRA & IRS obligations, strategic asset acquisitions and disposals, equity raise, and potential asset backed loans. Dividends per share are calculated as basic EPS divided by closing share price.

Financial Year	Closing Share Price ¹ \$A	Dividend p/share US\$	EPS % ²	Revenue US\$ millions	Adj. EBITDA ³ US\$ millions	CRI	ROE ²	Net Debt US\$ millions ²
2020	0.43	-	(343.3%)	657	60	7.2%	(23.2%)	855
2019	1.63	-	(56.7%)	745	87	10.2%	(16.1%)	781
2018	1.20	-	(69.8%)	770	81	9.6%	(16.6%)	689
2017	3.00	-	(210.2%)	739	43	4.8%	(50.6%)	600
2016	37.50	-	(185.6%)	642	32	3.2%	(60.6%)	681

- (1) On 30 October 2019 the Company completed a consolidation of the issued capital on a basis that every 300 shares be consolidated into 1 share. Closing share price for each year has been adjusted for the share consolidation.
- (2) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.
- (3) Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, and before significant and other non-recurring items.

4.1 PERFORMANCE AGAINST SHORT-TERM INCENTIVE MEASURES

As noted above, a combination of financial and non-financial measures are used to measure performance for STI awards. Business and individual performance against those measures was measured on a weighted average basis. The average proportion of STI awarded to KMPs, 2016 through 2020, is below:

	2016	2017	2018	2019	2020
% of target STI awarded	90%	53%	103%	72%	65%

STI earned during the year ended 31 December 2020:

STI Earned in 2020	STI Earned as % of Target ¹	STI Earned US\$	Target STI US\$	% of STI Forfeited	% of Max STI Forfeited ²
Jeffrey Olsen	59%	398,250	675,000	41%	71%
Denis Despres	74%	206,500	280,000	26%	63%
Miguel Desdin	65%	155,760	240,000	35%	68%
Nora Pincus ³	65%	32,450	50,000	35%	68%
Kari Plaster	61%	70,493	116,000	39%	70%

(1) Calculated by multiplying the Individual Strategic Objective percentage achieved by the company-wide CBP performance payout of 59%.

(2) The maximum potential award assuming superior performance against all CBP metrics is 200% of target STI.

(3) Ms. Pincus' earned STI was prorated from her start date of 13 August 2020 to 31 December 2020.

4.2 EMPLOYEE AND DIRECTOR TRADING IN COMPANY SECURITIES

Under the Company's Securities Trading Policy, Directors and employees (including senior executives) are prohibited from entering into transactions that limit the economic risk of holding unvested rights or options that have been received as part of their remuneration. The Company treats compliance with this policy as a serious issue and takes appropriate measures to ensure the policy is adhered to, including imposing appropriate sanctions where an employee is found to have breached the policy.

Further restrictions also apply to Directors and senior executives with respect to their dealing in the Company's shares and other securities under the Securities Trading Policy, which may be found in the Corporate Governance section on the Company website at www.boartlongyear.com.

5. EXECUTIVE REMUNERATION IN DETAIL

Details of each senior executive's remuneration during the years ended 31 December 2020 and 2019 are set out in the table below. The remuneration calculations reported in this table are based on the Accounting Standards principle of "accrual accounting" and, consequently do not necessarily reflect the amount of compensation an executive actually realised in a particular year.

	Cash-based compensation									Total US\$
	Short term benefits ¹			Post-employment benefits		Other long-term benefits		Termination Benefits		
	Compensation ² US\$	Annual bonus ³ US\$	Other ⁴ US\$	Super- annuation benefits ⁵ US\$	Other US\$	Retention Cash Rights ⁶ US\$	Perform-ance Cash Rights US\$	Termination US\$	Other US\$	
Jeffrey Olsen										
2020	532,212	398,250	25,803	8,250	-	-	-	-	-	964,515
2019	675,000	494,775	31,319	8,250	-	550,685	-	-	-	1,760,029
Denis Despres										
2020	315,385	206,500	19,495	6,750	-	-	-	-	-	548,129
2019	400,000	184,800	189,511	8,250	-	-	-	-	-	782,561
Miguel Desdin										
2020	336,539	155,760	21,600	8,250	-	-	-	-	-	522,149
2019	384,616	168,960	241,227	8,250	-	-	-	-	-	803,053
Nora Pincus ⁷										
2020	120,000	32,450	38,320	3,115	-	-	-	-	-	193,885
Robert Closner ⁸										
2020	46,380	-	3,249	-	-	-	-	-	4,139	53,768
2019	263,609	81,802	24,968	-	-	77,439	-	-	-	447,818
Kari Plaster										
2020	243,990	70,493	21,739	5,392	-	-	-	-	-	341,615
2019	290,000	92,104	20,800	8,250	-	-	-	-	-	411,154
Brendan Ryan ⁹										
2020	213,077	-	15,200	6,624	-	-	-	-	-	234,901
2019	400,000	165,840	20,948	8,250	-	-	-	-	-	595,038

- (1) There were no non-monetary benefits provided.
- (2) Compensation for 2020 was reduced for an agreed upon plan for COVID-19 effects. See more detail in Senior Executive Remuneration table on page 21 and also in the Changes in 2020 on page 20.
- (3) The 2020 amount represents cash STI payments earned by the executive during the year ended 31 December 2020, which are expected to be paid in 2021 and were approved by the Board in February 2021. The 2019 amount represents cash STI payments earned by the executive during the year ended 31 December 2019, which were paid in 2020.
- (4) Includes sign-on bonuses, automotive allowances, relocation and reimbursements of financial and tax preparation assistance.
- (5) Includes 401(k) plan matching contributions made by the employing entity in the United States.
- (6) In March 2017, Mr. Olsen, Mr. Despres, and Mr. Ryan received long-term retention cash rights. These vested and were paid during 2020.
- (7) Ms. Pincus was hired on 13 August 2020, as such her reported remuneration received reflects a partial year of earnings from her date of hire. The "Other" column includes the first of her two part sign-on bonuses of \$30,000. (Ms. Pincus will receive an additional amount of \$45,000 on the anniversary of her hire date).
- (8) Mr. Closner's direct employment with the Company ceased on 15 February 2020 but he retained the role of Company Secretary through 13 August 2020. Therefore, Mr. Closner's remuneration reported above reflects his earnings from 1 January 2020 to 15 February 2020. The amount in Mr. Closner's "Termination Benefits - Other" represents the payment for accrued and unused vacation for 2020.
- (9) Mr. Ryan ceased employment on 14 September 2020.

5.1 SERVICE CONTRACTS AND TERMINATION PROVISIONS

Name and position held at the end of the financial year	Duration of contract	Notice period by Company	Notice period by executive	Termination payments (where these are in addition to statutory entitlements)
Chief Executive Officer	No fixed term	None required	180 days	For termination with cause, statutory entitlements only For termination without cause: <ul style="list-style-type: none"> • 12 months' salary • Pro-rata bonus to termination date • Waiver of medical insurance premiums for 12 months
Chief Legal Officer, General Counsel and Company Secretary	No fixed term	None required	90 days	For termination with cause, statutory entitlements only For termination without cause: <ul style="list-style-type: none"> • One month per year of service with a minimum of 12 months and a maximum of 24 months. • Pro-rata bonus to termination date • Waiver of medical insurance premiums for 12 months
Chief Financial Officer; Chief Human Resources Officer; Chief Operating Officer	No fixed term	None required	90 days	For termination with cause, statutory entitlements only For termination without cause: <ul style="list-style-type: none"> • 12 months' salary • Pro-rata bonus to termination date • Waiver of medical insurance premiums for 12 months

The executive employment contracts listed above contain a twelve-month non-competition and non-solicitation covenant in the Company's favour. The Company may, at its option, extend the term of the covenants upon an executive's termination of employment for up to an additional twelve months in exchange for monthly payments of the executive's base salary at the time of termination for the term of the extension.

5.2 SPECIAL STRATEGIC RETENTION AWARDS FOR KEY EMPLOYEES (including the KMP)

In 2018, the Board approved a one-time additional bonus incentive for certain members of senior leadership. This performance bonus was payable upon the Company achieving specific performance metrics for the fiscal year ending 2020. As these performance metrics weren't achieved as of 31 December 2020, there will be no distributions to KMPs as a result of this incentive award. Therefore, the Company did not recognise an expense or accrue a liability for this one-time bonus incentive.

5.3 SHARE HOLDINGS

Shareholdings as at the end of the financial year and activity during the financial year, are as follows:

	Balance 1 January 2020	Granted as remuneration	Net other change during year	Cessation as Executive & Non-executive Director	Balance 31 December 2020	Balance held nominally
Kevin McArthur	-	428,796	-	-	428,796	-
Tye Burt	-	260,851	-	-	260,851	-
Kyle Cruz ¹	-	-	-	-	-	-
Jason Ireland	23,731	-	-	-	23,731	-
James Kern	202,602	-	-	-	202,602	-
Rubin McDougal ²	-	165,835	-	-	165,835	-
Robert Smith	23,731	-	-	-	23,731	-
Conor Tochilin ³	-	-	-	-	-	-
Richard Wallman ⁴	534,203	-	-	(534,203)	-	-
Jeffrey Olsen	271,872	-	-	-	271,872	-
Denis Despres	65,778	-	-	-	65,778	-
Miguel Desdin	65,282	-	-	-	65,282	-
Nora Pincus ⁵	-	-	-	-	-	-
Robert Closner ⁶	286	-	-	(286)	-	-
Kari Plaster	10,425	-	-	-	10,425	-
Brendan Ryan ⁷	61,464	-	-	(61,464)	-	-

- (1) Mr. Cruz retired 17 January 2020.
- (2) Mr. McDougal was appointed effective 1 March 2020.
- (3) Mr. Tochilin was appointed effective 17 January 2020.
- (4) Mr. Wallman retired 29 February 2020.
- (5) Ms. Pincus appointed effective 13 August 2020.
- (6) Mr. Closner ceased employment effective 13 August 2020.
- (7) Mr. Ryan ceased employment effective 14 September 2020.

5.4 CASH RIGHTS

Cash rights as at the end of the financial year, and activity during the year, are as follows:

Name	Grant date	Vesting date	Held at the beginning of the financial year	Number of Cash Rights granted as remuneration	Number of Cash Rights vested ¹	Value of Cash Rights vested US\$ ¹	Number of Cash Rights forfeited	Value of Cash Rights forfeited US\$	Held at the end of the financial year
Jeffrey Olsen	15-Mar-17	15-Mar-20	132,755	-	132,755	132,755	-	-	-
Brendan Ryan	15-Mar-17	15-Mar-20	66,378	-	66,378	66,378	-	-	-
Robert Closner	15-Mar-17	15-Mar-20	7,965	-	-	-	7,965	7,965	-
Denis Despres	15-Mar-17	15-Mar-20	66,378	-	66,378	66,378	-	-	-

- (1) On 31 December 2017 the LTIP ceased. At that time, retention-based awards under the LTIP were calculated on a pro-rata basis as of 31 December 2017 and employees agreed to be paid the pro-rata retention-based awards on the original payment date per the award agreement.

5.5 SHARE RIGHTS

At 31 December 2018, Robert Closner held 126,530 retention share rights. The rights were granted on 1 July 2015 and vested on 15 March 2019. Robert received \$385 in cash in consideration for his share rights. There were no outstanding share rights as at 31 December 2019 or 31 December 2020.

5.6 OPTIONS

Name	Effective grant date	Vesting date	Fair Value per Option at Grant Date USD\$	Held at the beginning of the financial year	Number of options granted as remuneration	Exercise price per option USD\$	Number of options forfeited	Options held at the end of the financial year	Vested and exercisable as at 31 Dec 2020
Jeffrey Olsen	1-Apr-14	1-Apr-17	0.25	1,081	-	96.00	-	1,081	1,081

The options listed above vested on 1 April 2017 and expire on 1 April 2024.

6. NON-EXECUTIVE DIRECTORS' FEE STRUCTURE

Non-Executive Directors ("NED") are remunerated by a fixed annual base fee with additional fees paid for serving on Board committees. NED who are also employees of Centerbridge or Ascribe do not receive any Director fees. The Chairman may attend any committee meetings but does not receive any additional committee fees in addition to base fees.

The fees are determined within a maximum aggregate fee pool that is approved by shareholders. The approved fee pool limit is US\$2.0 million, which aside from changing the currency exchange rate at the 2015 general meeting, has not changed in quantum since the Company's initial public offering in 2007. During the financial year, US\$1.0 million of the pool was utilised for Non-Executive Director fees, being approximately 50% of the fee pool limit.

No share rights were awarded as remuneration in 2020.

6.1 COMPONENTS OF NON-EXECUTIVE DIRECTOR REMUNERATION

<u>Component</u>	<u>Explanation</u>
Board fees	<p>Current base fees per annum are:</p> <ul style="list-style-type: none"> US\$160,000 for Non-Executive Directors other than the Chairman of the Board and the resident Australian Directors; US\$300,000 for the Board Chairman (paid in cash and shares); and AUD\$200,000 for the resident Australian Directors.
Committee fees	<p>Current committee fees for Non-Executive Directors (other than the Chairman of the Board) are:</p> <ul style="list-style-type: none"> US\$7,500 annually for committee members; and US\$15,000 annually for committee chairs. <p>Where the Board Chairman sits on a committee, he or she does not receive any additional fee.</p>
Other fees/benefits	<p>Non-Executive Directors are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in carrying out their duties, including travel costs. The Chairman of the Board also is entitled to reimbursement for office and secretarial support.</p> <p>Non-Executive Directors may also, with the approval of the Board, be paid additional fees for extra services or special exertions for the benefit of the Company.</p> <p>Non-Executive Directors are not entitled to receive any performance-related remuneration, such as short-term or long-term incentives.</p>
Post-employment benefits	<p>Compulsory superannuation contributions for Australian-resident Non-Executive Directors are included in the base fee and additional committee fees set out above.</p> <p>Non-Executive Directors do not receive any retirement benefits other than statutory superannuation contributions.</p>

6.2 REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Details of Non-Executive Directors' remuneration for the year ended 31 December 2020 and 2019 are set out in the table below.

Non Executive Directors Remuneration US\$	Fees ¹ (Including committee fees)	Superannuation Contributions	Shares	Total
Marcus Randolph				
2019 (up to 1 September 2019)	319,983 ²	1,154	-	321,137
Kevin McArthur				
2020	118,750	-	150,000 ³	268,750
2019	62,500	-	37,500	100,000
Tye Burt				
2020	95,052	-	68,437	163,489
2019	41,946	-	22,813	64,759
Jason Ireland				
2020	110,915	-	-	110,915
2019	139,057	-	-	139,057
James Kern				
2020	132,604	-	-	132,604
2019	167,500	-	-	167,500
Rubin McDougal				
2020	83,854	-	43,752	127,606
Robert Smith				
2020	110,530	-	-	110,530
2019	138,410	-	-	138,410
Richard Wallman				
2020 (up to 29 February 2020)	29,167	-	-	29,167
2019	175,000	-	-	175,000

Mr. Cruz and Mr. Tochilin are not included in the table above as they are employees of Centerbridge Partners and therefore did not receive Director fees.

- (1) All Non-executive Directors agreed to receive no fees for the months of April and May and half of their fees for the month of June due to COVID-19. Fees paid in shares were not reduced during 2020.
- (2) Mr. Randolph's remuneration for 2019 includes director fees of \$225,000 and cash salary of \$94,983 up to 1 September 2019 (date retired).
- (3) Mr. McArthur has received issued shares for \$112,500 of his Board fees earned in 2020. The remaining \$37,500 of the fees to be paid in shares have been earned and Mr. McArthur is entitled to the shares as of 31 December 2020; however, the shares will not be issued until he leaves the Board, as determined by an agreement between Mr. McArthur and the Company.

Board of Directors

A brief summary of the Directors' work experience and qualifications is as follows.

Kevin McArthur

Kevin McArthur was appointed as a Director of the Company and Chairman of the Board on 1 September 2019. As Chairman of the Board, Mr. McArthur brings more than 35-years' experience in the global mining industry and over 20 years in CEO and Director positions. Most recently he held roles as the Founder, President and CEO of Tahoe Resources Inc. and prior to that was the President & CEO of Goldcorp Inc.

Mr. McArthur is a graduate of the University of Nevada where he received a Bachelor of Mining Engineering.

Tye Burt

Tye Burt was appointed as a Director of the Company on 23 August 2019. Mr. Burt is Chair of the Company's Remuneration Committee and is a member of the Audit Safety and Risk Committee. Mr. Burt's career includes more than 30-years' experience in the global mining and finance industries in both executive management roles and serving on several boards. From 2005 to 2012, Mr. Burt held the role of President and CEO of Kinross Gold Corporation. Prior to joining Kinross Gold, Mr. Burt held the position of Vice Chairman and Executive Director of Corporate Development at Barrick Gold Corporation. Other previous positions include: Chairman, Deutsche Bank Canada and Deutsche Bank Securities Canada; global Managing Director, global metals and mining for Deutsche Bank AG; and Managing Director and Co-head of the global mining group at BMO Nesbitt Burns.

Mr. Burt is a graduate of Osgoode Hall Law School in Toronto and a member of the Law Society of Ontario. He holds a Bachelor of Arts from the University of Guelph.

Jason Ireland

Jason Ireland was appointed as a Director of the Company on 1 September 2017. He is a member of the Remuneration Committee. Mr. Ireland is based in Sydney, Australia and is a Partner of McGrathNicol. He has over 25 years of experience in strategic reviews and implementation of performance improvement and restructuring initiatives across a range of industries. In the past ten years, he has spent considerable time in the mining services sector, advising boards and financiers on operations in key mining regions around the world. Prior to joining McGrathNicol in 2005, Mr. Ireland was a Senior Manager at KPMG.

Mr. Ireland holds a Bachelor of Business from Charles Sturt University and is a member of Chartered Accountants Australia and New Zealand and a Registered Liquidator.

James Kern

James Kern was appointed as a Director of the Company on 20 February 2018. He is a member of the Audit, Safety & Risk Committee. Mr. Kern has served as Managing partner of Majestic Ventures 1 LLC, a consulting and investment partnership focused on early stage growth companies, since 2014. In addition, he currently serves on boards of THL Credit Inc. (NASDAQ), a middle market lending company, and Basic Energy Services (NYSE), an oilfield services company.

From 2010 to 2014, Mr. Kern was a Managing Director at Nomura Securities, serving as Head of Global Finance Financial Institution Group ("FIG") and Specialty Finance Investment Banking for the Americas. He previously served as Managing Director at J.P. Morgan securities within the FIG practice and was focused on Asset Management and Specialty Finance clients. From 1994-2008, he was a Senior Managing Director at Bear Stearns, where he held several positions, including Head of Strategic Finance-FIG, head of Corporate Derivatives and was a founding member of the firm's Structured Equity Products group.

Mr. Kern has a B.S. from the Marshall School of Business at the University of Southern California.

Rubin McDougal

Rubin McDougal was appointed as a Director of the Company on 1 March 2020. Mr. McDougal joins the Board having served on previous public and private company boards and has held both Audit and Risk Committee Chair positions. Mr. McDougal is the Chair of the Company's Audit, Safety and Risk Committee. He has also held several international company senior finance positions including Chief Financial Officer positions.

Mr. McDougal has a master's degree in Business Administration from Western Michigan University and a Bachelor of Arts in Marketing from the University of Utah.

Jeffrey Olsen

Jeffrey Olsen was appointed President and Chief Executive Officer on 1 March 2016 after serving as Chief Financial Officer since 2014. Before joining Boart Longyear, he served as Chief Commercial Officer for Rio Tinto's Iron & Titanium business since 2010. Prior to that time, he was Chief Financial Officer for Rio Tinto's Borax and Minerals divisions for approximately eight years and held other financial roles at Rio Tinto. Mr. Olsen's experience also includes financial roles at General Chemical Corporation and Xerox Corporation in the United States.

Mr. Olsen holds a Bachelor of Arts degree from the University of Utah and a Master of Business Administration from the Simon School of Business at the University of Rochester.

Robert Smith

Robert Smith was appointed as a Director of the Company on 1 September 2017. He is a member of the Audit, Safety & Risk Committee. Mr. Smith is a Partner of McGrathNicol. Based in Melbourne, Australia, he specialises in business restructuring and performance improvement and has led numerous complex assignments often involving prominent listed entities and/or multi-lender banking syndicates. Mr. Smith's experience covers a wide variety of industries, including mining and mining services, energy, power and utilities, manufacturing, retail, media, information technology and financial services. Prior to joining McGrathNicol in 2009, Mr. Smith was an Associate Director in Ernst & Young's Transaction and Assurance divisions. Mr. Smith began his career as an accountant with Arthur Andersen.

Mr. Smith is a member of Chartered Accountants Australia and New Zealand, a Member of the Australian Institute of Company Directors and a Registered Liquidator. He holds a Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Finance and Investment.

Conor Tochilin

Conor Tochilin was appointed as a Director of the Company on 17 January 2020. Mr. Tochilin is a Managing Director at Centerbridge Partners, L.P., a major shareholder in the Company. Centerbridge Partners, L.P. manages approximately \$29 billion of assets with a focus on credit, special situations, and private equity. Prior to joining Centerbridge Partners, L.P., Mr. Tochilin was an Associate at TPG-Axon Capital Management in New York and London and a Business Analyst in McKinsey's Corporate Finance Practice in New York.

Mr. Tochilin holds an A.B. in Economics and Philosophy, magna cum laude, from Harvard College, where he was elected to Phi Beta Kappa, a J.D. from Harvard Law School, and an M.B.A. from Harvard Business School.

Company Secretaries

Robert Closner

Robert Closner was appointed Vice President, General Counsel in October 2017 and later appointed as Company Secretary on 7 December 2017. He began his career as an associate at one of the leading law firms in Toronto, Canada and prior to joining Boart Longyear served as the General Counsel and Corporate Secretary of Ivernia Inc. Since joining the Company in 2008, Mr. Closner has served in several key leadership positions including Regional General Counsel, responsible for the Americas where he oversaw compliance matters, provided legal guidance and corporate commercial support. Prior to his Vice President appointment, Mr. Closner held the position of Interim Chief Commercial Officer. Mr. Closner ceased employment on 15 February 2020 and was formally released from his role of Company Secretary on 13 August 2020.

Nora Pincus

Nora Pincus joined Boart Longyear as Chief Legal Officer, General Counsel and Company Secretary replacing Mr. Robert Closner, with effect from 13 August 2020.

Ms. Pincus is an experienced corporate attorney whose practice prior to joining Boart Longyear focused on representing domestic and international mining and energy companies in operational matters, mergers and acquisitions, financings and capital market transactions. Prior to joining Boart Longyear, Ms. Pincus was a partner at the law firms Dorsey & Whitney and Parsons Behle and Latimer.

Ms. Pincus holds a Bachelor of Arts in history and economics from the University of Utah and a Juris Doctorate from the University of Denver.

Philip Mackey

Philip Mackey was appointed Company Secretary on 29 January 2016. He has over three decades of company secretarial and commercial experience and is a member of the Company Matters' secretariat team. Previously, he served as Company Secretary of ASX & SGX dual listed Australand Group Limited and Deputy Company Secretary of AMP Limited. Mr. Mackey's commercial experience includes appointment as Chief Operating Officer (Specialised Funds) of Babcock & Brown and at Bressan Group. He is a Fellow of Governance Institute Australia and a Graduate Member of the Australian Institute of Company Directors.

DIRECTORS' MEETINGS

The following tables set out for each Director the number of meetings (including meetings of Board committees) held and the number of meetings attended during the financial year while he/she was a Director or committee member. The tables do not reflect the Directors' attendance at committee meetings in an "ex-officio" capacity. The tables also do not reflect special or informal meetings of the Board or its committees.

	Board of Directors		Remuneration, Nominations & Governance Committee		Audit, Safety & Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Tye Burt	6	6	7	7	4	4
Kyle Cruz ¹						
Jason Ireland	6	6	7	7		
James Kern	6	6			4	4
Kevin McArthur	6	6				
Rubin McDougal ²	5	5			3	3
Robert Smith	6	6			4	4
Conor Tochilin ³	6	6	7	7		
Richard Wallman ⁴					1	1
Jeffrey Olsen	6	6				

(1) Mr. Cruz retired 17 January 2020

(2) Mr. McDougal was appointed effective 1 March 2020

(3) Mr. Tochilin was appointed effective 17 January 2020

(4) Mr. Wallman retired 29 February 2020

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares, debentures, and rights or options over shares or debentures of the Company or a related body corporate as at the date of this report.

	Fully paid ordinary shares	Rights offering ordinary shares	Rights and options	Total
Kevin McArthur	428,796	-	-	428,796
Tye Burt	260,851	-	-	260,851
Jason Ireland	23,731	-	-	23,731
James Kern	202,602	-	-	202,602
Rubin McDougal	165,835	-	-	165,835
Jeffrey Olsen	271,872	-	1,081	272,953
Robert Smith	23,731	-	-	23,731
Conor Tochilin	-	-	-	-

The Board adopted a Non-Executive Director shareholding guideline which recommends that Non-Executive Directors acquire and hold at least 30,000 Company shares within five years of their appointment. The target share amount was established to be roughly equivalent to one year's Directors' fees and was based on the value of the Company shares at the time. The target shareholding amount may be adjusted from time to time to track movements in the Company's share price.

GRANTS OF SHARES, RIGHTS OVER SHARES AND OPTIONS GRANTED TO DIRECTORS AND EXECUTIVES

At the Annual General Meeting of Shareholders held in May 2018, shareholders approved a Non-Executive Director share purchase plan (the "NED Share Plan") which allows current and future Non-Executive Directors to elect to receive up to 100% of their director fees in shares in the Company in lieu of cash payments. The election of Non-Executive Directors to receive all or a portion of their compensation in shares of the Company in lieu of cash pursuant to the NED Share Plan does not result in any additional remuneration for the Non-Executive Directors. It is merely a mechanism for the Non-Executive Directors to elect to invest some of the fees to which they are otherwise entitled in the Company.

If a Director elects to participate in the NED Share Plan, NED Shares are issued quarterly (or at other intervals in compliance with insider trading laws and the requirements of the Company's Securities Trading Policy) at predetermined dates throughout the year. Following issue, Non-Executive Directors are not able to deal in the shares for a 12-month period. After this period, they will be free to deal in the shares subject to the Company's Securities Trading Policy and any minimum shareholding requirements adopted by the Board.

The number of NED Shares to be allocated to Non-Executive Directors who elect to participate in the NED Share Plan each quarter is calculated by dividing the amount of director's fees which the relevant Non-Executive Director has elected to contribute to the NED Share Plan by the arithmetic average of the daily volume weighted average sale price of the Company's shares sold on ASX on the ordinary course of trading during the five trading days preceding the issue date of the shares.

During 2020, Mr. McArthur, Mr. Burt and Mr. McDougal participated in the NED Share Plan and received \$150,000, \$68,437, and \$43,753 of their director compensation in shares, respectively. The shares for \$37,500 of Mr. McArthur's fees will be issued when Mr. McArthur leaves the Board.

During 2019, Mr. McArthur and Mr. Burt participated in the NED Share Plan and received \$37,500 and \$22,813 of their director compensation in shares, respectively. The shares for these fees were issued in 2020.

Shares and rights granted to executives of the Company are included in the Remuneration Report. As of 31 December 2020, Mr. Olsen held 1,081 of vested options. The options were granted on 1 April 2014 and vested on 1 April 2017. They have an exercise price of \$96 USD and expire on 1 April 2024. No shares or interests have been issued during the financial year as a result of the exercise of options.

DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

Except as noted herein, no contracts involving Directors' or officers' interests existed during, or were entered into, since the end of the financial year other than the transactions detailed in the financial statements.

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

The Directors and officers of the Company are indemnified by the Company to the maximum extent permitted by law against liabilities incurred in their respective capacities as Directors or officers. In addition, during the financial year, the Company paid premiums in respect of contracts insuring the Directors and officers of the Company and any related body against liabilities incurred by them to the extent permitted by the *Corporations Act 2001* (Cth). The insurance contracts prohibit disclosure of the nature of the liability and the amount of the premium.

The Company has not paid any premiums in respect of any contract insuring Deloitte Touche Tohmatsu against a liability incurred in the role as an auditor of the Company.

EXECUTIVE MANAGEMENT TEAM

Jeffrey Olsen

Jeffrey Olsen's experience and qualifications are summarised on page 35.

Miguel Desdin

Miguel Desdin was appointed the Company's Chief Financial Officer in January 2019. Prior to joining Boart Longyear Mr. Desdin served seven years as CFO and Senior Vice President of TPC Group, a two-billion-dollar chemical company based in Houston, Texas where he also served as interim CEO. Previous to that, Mr. Desdin served as Senior Vice President and Chief Financial Officer of Furmanite Corporation, and Corporate Controller of Celanese Corporation. Mr. Desdin's career has led him through several key executive and financial roles within the industrial chemicals and related industries including working for Great Lakes Chemical Corporation and AlliedSignal, Inc. where he began his career in finance.

He earned his MBA in Finance from the Wharton School at the University of Pennsylvania, and a Bachelor of Science in Industrial and Systems Engineering from the University of Florida.

Denis Despres

Denis Despres was appointed the Company's Chief Operating Officer on 1 September 2016. He began his career with Boart Longyear in 1981 and held various positions with progressive responsibility in the Company's Drilling Services and Products divisions over the next 26 years, including as Senior VP, Drilling Services. After leaving Boart Longyear in 2007, Mr. Despres founded his own drilling business, which was acquired by Major Drilling in 2010. He most recently served as Major's Chief Operating Officer prior to rejoining Boart Longyear.

Mr. Despres studied in Ontario, Canada, and received a diploma in Mechanical Engineering Technology from Algonquin College, a Bachelor of Engineering from Lakehead University and a Master of Business Administration from Queen's University, all of which are in Ontario, Canada.

Nora Pincus

Nora Pincus' experience and qualifications are summarised on page 35.

Kari Plaster

Kari Plaster was appointed Chief Human Resources Officer on 30 October 2017. Most recently, Ms. Plaster served as CEO and Founder of Kindling Potential, a private coaching and consulting business using brain-based strategies to help businesses and people to thrive. Prior to this, Ms. Plaster held several senior HR roles within Rio Tinto including General Manager, Leadership Model; VP HR, HSE Governance and External Relations; and Americas Director, Capability Development. She has worked in many different locations and businesses including Kennecott Utah Copper, US Borax and Iron Ore Company of Canada.

Ms. Plaster holds a Bachelor of Science Degree from Boise State University in Criminal Justice Administration and has designed and attended several senior leadership programs for Rio Tinto in cooperation with Duke's Corporate Education Programs.

AUDITOR

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 41 of this report.

NON-AUDIT SERVICES

Details of amounts paid or payable for non-audit services provided during the year by the auditor are outlined in Note 7 to the financial statements.

The auditor of Boart Longyear Limited is Deloitte Touche Tohmatsu. The Company has employed Deloitte Touche Tohmatsu on assignments additional to their audit duties where their expertise and experience with the Company are important. These assignments principally have been related to tax advice and tax compliance services, the magnitude of which is impacted by the global reach of the Company.

The Company and its Audit, Safety & Risk Committee ("Audit Committee") are committed to ensuring the independence of the external auditor. Accordingly, significant scrutiny is given to non-audit engagements of the external auditor. The Company has a formal pre-approval policy that requires the pre-approval of non-audit services by the Chairman of the Audit Committee. Additionally, the total annual fees for such non-audit services cannot exceed the auditor's annual audit fees without the approval of the Audit Committee. The Audit Committee believes that the combination of these two approaches results in an effective procedure to control services performed by the external auditor.

None of the services performed by the auditor undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) and are of the opinion that the services, as disclosed in Note 7 to the financial statements, do not compromise the external auditor's independence.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

ROUNDING OF AMOUNTS

Boart Longyear Limited is a company of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and the Financial Report are presented in US dollars and have been rounded off to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

REMUNERATION

The Remuneration Report is included beginning at page 20 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Kevin McArthur', written in a cursive style. The signature is positioned above a horizontal line.

Kevin McArthur
Chairman

26 February 2021

The Directors
Boart Longyear Limited
26 Butler Boulevard
Adelaide Airport SA 5650
Australia

26 February 2021

Dear Directors


Boart Longyear Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Boart Longyear Limited.

As lead audit partner for the audit of the financial report of Boart Longyear Limited for the financial year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants

Independent Auditor's Report to the members of Boart Longyear Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Boart Longyear Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss after tax for the year ended 31 December 2020 of \$98.8 million (31 December 2019: \$56.6 million as restated) and, as of that date, the Group had net liabilities of \$469.4 million (31 December 2019: \$382.2 million).

As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- Reviewing management’s assessment in relation to going concern and inquiring of management and the Directors in relation to events and conditions that may impact the assessment on the Group’s ability to pay its debts as and when they fall due;
- Challenging the assumptions contained in management’s cash flow including the timing of expected cash flows, and the status of progress in relation to the agreement with the Group’s debt providers to remove the obligation to pay cash interest on the Senior Secured Notes;
- Performing sensitivity analyses to evaluate the impact of changing key assumptions on the cash flow forecast;
- Reviewing papers submitted to and minutes of the Board and the Board sub-committees’ meetings with particular regard to items related to the Group’s budget, forecast cash flow and status of evaluation of options in regard to a future refinancing or recapitalisation; and
- Assessing the adequacy of the disclosures related to going concern in Note 1 to the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Taxation</p> <p>The Group operates across a large number of jurisdictions, each with its own taxation regime and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including application of transfer pricing rules, indirect taxes, and transaction-related tax matters as disclosed in Notes 10, 22 and 28.</p> <p>As at 31 December 2020, the Group has recorded an income tax expense of \$5.3 million, current and non-current tax receivables of \$0.5 million and \$1.6 million and a net current tax payable of \$8.3 million.</p>	<p>Our procedures performed in conjunction with internal tax specialists, included but were not limited to:</p> <ul style="list-style-type: none"> • Testing key controls relating to the accounting for and the disclosure of tax related transactions and matters. • Obtaining an understanding of the process that management has taken to determine the taxation balances recognised in the financial statements. • Assessing the appropriateness of the treatment of selected specific transactions in the Group’s tax expense calculations and the rationale on which deferred tax assets and liabilities were recognized; • Evaluating the Group’s tax obligations; • Evaluating the appropriateness of management’s assumptions and estimates in relation to the likelihood of generating future taxable income to support the recognition of deferred income tax assets with reference to forecast taxable income;

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Taxation (continued)</p> <p>In notes 10, 22 and 28, the Group has disclosed its assessment of tax-related contingent liabilities and that the Group is subject to certain tax audits that arise in the normal course of its business. As at 31 December 2020, the Group has recorded a provision for tax contingencies of \$49.4 million.</p> <p>Due to the number of jurisdictions and the complexity in tax laws in those jurisdictions significant judgment is required in estimating tax exposures and/or contingent liabilities</p>	<ul style="list-style-type: none"> Evaluating the consistency of the forecast used by management to derive forecast taxable income to support the recognition of deferred tax assets against the forecast used for assessing the carrying value of intangible assets and property, plant and equipment; Challenging and evaluating management’s assessment of uncertain tax positions including contingent liabilities and conclusions on complex tax arrangements through the review of assumptions and calculations by the Tax specialist, enquiries of the Group Taxation department, and obtaining and considering the Group’s correspondence with local tax authorities; and Assessing the adequacy of the Group’s disclosures regarding current and deferred taxes, uncertain tax positions and tax-related contingencies.
<p>Impairment of assets</p> <p>In the financial year ended 31 December 2020, the Group recognised an impairment of \$6.8 million against property, plant, and equipment and leased assets in its Latin American Drilling Services Cash Generating Unit (LAM CGU) as disclosed in Note 16.</p> <p>The Company has goodwill of \$105.1 million at 31 December 2020 which is split between goodwill in the North American Drilling Services Cash Generating Unit (NAM CGU) of \$100.9 million and goodwill in the Global Data Services CGU (GDS CGU) of \$4.2 million, as disclosed in Notes 16 and 18.</p> <p>As part of the Group’s annual impairment assessment management tested the NAM CGU in accordance with the requirement of AASB136 <i>Impairment of Assets</i> to test goodwill at least annually.</p> <p>The Group also tested the LAM CGU due to the degree of uncertainty associated with the impacts of COVID-19 in this region.</p> <p>As disclosed in Note 16, significant judgement is required in the determination of the recoverable amount of property, plant and equipment and lease assets.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> Updating our understanding of the Group’s processes and controls over the assessment of the recoverable amount of property, plant and equipment and lease assets. Assessing the identification and evaluation of cash-generating units, allocation of assets and costs to these cash-generating units. Challenging the key assumptions used in the future cash flow forecasts with reference to past performance, external data and the assumptions made in relation to revenue growth and gross margins in the Group’s forecasts. Evaluating historical accuracy of forecast cash flows. Involving our internal valuation specialists to assist us in evaluating the models against AASB136 <i>Impairment of Assets</i>. Assessing the accuracy of the Group’s discounted cash flow model including testing the mathematical accuracy of the impairment models. Reviewing and challenging the appropriateness of the Group’s sensitivity analysis in relation to key assumptions to assess the extent of change in those assumptions that either individually or collectively would be required for the assets to be impaired. Assessing the adequacy of the disclosures included in Notes 16 and 18.

Other Information

The directors are responsible for the other information. The other information comprises the Directors’ Report and Review of Operations, which we obtained prior to the date of this auditor’s report, and also includes the following information which will be included in the Company’s annual report (but does not include the financial report and our auditor’s report thereon): Company overview, Chairman’s Report, CEO’s Report and Shareholder Information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Company overview, Chairman's Report, CEO's Report and Shareholder Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report


Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 39 of the Directors' Report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Boart Longyear Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants
Perth, 26 February 2021

DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards, and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001.
- (e) there are reasonable grounds to believe that the Company and the group entities identified in Note 29 will be able to meet any obligation or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016-785. Refer to Note 1 for additional information.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Kevin McArthur
Chairman

26 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	2020 US\$'000	2019 US\$'000 (Restated¹)
Continuing operations			
Revenue	3	657,265	744,982
Cost of goods sold		<u>(559,753)</u>	<u>(606,326)</u>
Gross margin		97,512	138,656
Other income	4	5,821	6,788
General and administrative expenses		(69,847)	(82,997)
Sales and marketing expenses		(17,049)	(20,331)
Other expenses	4	<u>(17,116)</u>	<u>(14,962)</u>
Operating (loss) profit		(679)	27,154
Interest income	5	43	50
Finance costs	5	<u>(92,877)</u>	<u>(75,364)</u>
Loss before taxation		(93,513)	(48,160)
Income tax expense	10	<u>(5,253)</u>	<u>(8,456)</u>
Loss for the year attributable to equity holders of the parent		<u>(98,766)</u>	<u>(56,616)</u>
Loss per share:			
Basic loss per share	11	(112.3) cents	(64.6) cents
Other comprehensive loss			
Loss for the year attributable to equity holders of the parent		<u>(98,766)</u>	<u>(56,616)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange gain (loss) arising on translation of foreign operations		8,629	(1,566)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gain (loss) related to defined benefit plans	23	3,140	(1,910)
Income tax on income and expense recognised directly through equity	10	<u>(861)</u>	<u>(1,047)</u>
Other comprehensive loss for the year, net of tax		10,908	(4,523)
Total comprehensive loss for the year attributed to equity holders of the parent		<u>(87,858)</u>	<u>(61,139)</u>

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

See accompanying Notes to the Consolidated Financial Statements included on pages 53 to 103.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 December 2020

	Note	2020 US\$'000	2019 US\$'000 (Restated ¹)
Current assets			
Cash and cash equivalents	33	23,513	20,240
Trade and other receivables	12	109,566	113,738
Inventories	13	158,327	163,088
Current tax receivable	10	499	2,504
Prepaid expenses and other assets		10,129	13,574
		<u>302,034</u>	<u>313,144</u>
Asset classified as held for sale	15	365	-
Total current assets		<u>302,399</u>	<u>313,144</u>
Non-current assets			
Property, plant and equipment	17	151,973	165,037
Goodwill	18	105,115	104,458
Other intangible assets	19	31,566	27,634
Deferred tax assets	10	13,252	16,875
Non-current tax receivable	10	1,567	10,811
Other assets		3,761	4,008
Total non-current assets		<u>307,234</u>	<u>328,823</u>
Total assets		<u>609,633</u>	<u>641,967</u>
Current liabilities			
Trade and other payables	20	98,015	111,123
Provisions	22	13,866	14,437
Current tax payable	10	8,265	5,424
Loans and borrowings	21	10,235	8,328
Total current liabilities		<u>130,381</u>	<u>139,312</u>
Non-current liabilities			
Loans and borrowings	21	868,331	793,388
Deferred tax liabilities	10	18,692	16,878
Provisions	22	61,625	74,544
Total non-current liabilities		<u>948,648</u>	<u>884,810</u>
Total liabilities		<u>1,079,029</u>	<u>1,024,122</u>
Net liabilities		<u>(469,396)</u>	<u>(382,155)</u>
Equity			
Issued capital	24	1,469,393	1,468,776
Reserves		(117,560)	(117,797)
Other equity		(128,790)	(137,182)
Accumulated losses		(1,692,944)	(1,595,565)
Total deficiency in equity		<u>(469,901)</u>	<u>(381,768)</u>
Non-controlling interest		505	(387)
Total equity		<u>(469,396)</u>	<u>(382,155)</u>

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

See accompanying Notes to the Consolidated Financial Statements included on pages 53 to 103.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Issued capital US\$'000	Foreign currency translation reserve US\$'000	Equity-settled compensation reserve US\$'000	Other ² equity US\$'000	Accumulated losses US\$'000	Total attributable to owners of the parent US\$'000	Non Controlling Interest US\$'000	Total equity US\$'000
Balance at 1 January 2019 - as restated ¹	1,468,776	(127,239)	11,008	(137,182)	(1,538,809)	(323,446)	2,430	(321,016)
Loss for the period - as restated ¹	-	-	-	-	(56,616)	(56,616)	-	(56,616)
Other comprehensive loss for the period - net of tax	-	(1,566)	-	-	(2,957)	(4,523)	-	(4,523)
Total other comprehensive loss	-	(1,566)	-	-	(59,573)	(61,139)	-	(61,139)
Non-controlling interest	-	-	-	-	2,817	2,817	(2,817)	-
Balance at 31 December 2019 - as restated¹	1,468,776	(128,805)	11,008	(137,182)	(1,595,565)	(381,768)	(387)	(382,155)
Balance at 1 January 2020 - as restated ¹	1,468,776	(128,805)	11,008	(137,182)	(1,595,565)	(381,768)	(387)	(382,155)
Loss for the period	-	-	-	-	(98,766)	(98,766)	-	(98,766)
Other comprehensive gain for the period - net of tax	-	8,629	-	-	2,279	10,908	-	10,908
Total other comprehensive loss	-	8,629	-	-	(96,487)	(87,858)	-	(87,858)
Shares issued	332	-	-	-	-	332	-	332
Shares issued to directors	285	-	-	-	-	285	-	285
Expiration of unexercised equity-settled awards	-	-	(8,392)	8,392	-	-	-	-
Non-controlling interest	-	-	-	-	(892)	(892)	892	-
Balance at 31 December 2020	1,469,393	(120,176)	2,616	(128,790)	(1,692,944)	(469,901)	505	(469,396)

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

(2) Other equity represents the Company's reorganisation reserve on creation of the Company in 2007 and the expiration of unexercised equity-settled awards.

See accompanying Notes to the Consolidated Financial Statements included on pages 53 to 103.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	<u>Note</u>	<u>2020</u> <u>US\$'000</u>	<u>2019</u> <u>US\$'000</u> <u>(Restated¹)</u>
Cash flows from operating activities			
Loss for the year		(98,766)	(56,616)
<i>Adjustments provided by operating activities:</i>			
Income tax expense recognised in profit		5,253	8,456
Finance costs recognised in profit	5	92,877	75,364
Depreciation and amortisation	6	40,964	39,348
Interest income recognised in profit	5	(43)	(50)
Gain on sale or disposal of non-current assets	6	(1,998)	(3,161)
Other non-cash items		12,545	(6,623)
Shares issued		285	-
Shares issued to directors		332	-
Impairment of current and non-current assets		8,825	9,972
Non-cash foreign exchange loss (gain)		1,550	(167)
<i>Changes in net assets and liabilities, net of effects from acquisition and disposal of business:</i>			
<i>(Increase) decrease in assets:</i>			
Trade and other receivables		5,291	2,184
Inventories		(3,757)	6,415
Other assets		59	1,161
<i>(Decrease) increase in liabilities:</i>			
Trade and other payables		(8,951)	7,798
Provisions		3,097	(7,056)
Cash provided by operations		<u>57,563</u>	<u>77,025</u>
Interest paid		(7,624)	(30,840)
Interest received	5	43	50
Income taxes paid		(603)	(10,927)
Net cash flows generated in operating activities		<u>49,379</u>	<u>35,308</u>

- (1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

See accompanying Notes to the Consolidated Financial Statements included on pages 53 to 103.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the financial year ended 31 December 2020

	2020	2019
	US\$'000	US\$'000
		(Restated¹)
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,127)	(47,061)
Proceeds from sale of property, plant and equipment	5,214	5,815
Intangible costs paid	(6,999)	(3,625)
Net cash flows used in investing activities	(26,912)	(44,871)
Cash flows from financing activities		
Payments for debt issuance costs	(153)	(1,432)
Proceeds from borrowings	62,521	31,350
Repayment of borrowings	(81,314)	(40,881)
Net cash flows used in financing activities	(18,946)	(10,963)
Net increase (decrease) in cash and cash equivalents	3,521	(20,526)
Cash and cash equivalents at the beginning of the year	20,240	38,942
Effects of exchange rate changes on the balance of cash held in foreign currencies	(248)	1,824
Cash and cash equivalents at the end of the year	33	20,240

- (1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

See accompanying Notes to the Consolidated Financial Statements included on pages 53 to 103.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION

Boart Longyear Limited (the "Parent") is a public company listed on the Australian Securities Exchange Limited ("ASX") and is incorporated in Australia. Boart Longyear Limited and subsidiaries (collectively referred to as the "Company") operate in four geographic regions, which are defined as North America, Latin America, Asia Pacific, and Europe/Africa ("EMEA").

Boart Longyear Limited's registered office and its principal place of business are as follows:

Registered office

26 Butler Boulevard
Burbridge Business Park
Adelaide Airport, SA 5650
Tel: +61 (8) 8375 8375

Principal place of business

2455 South 3600 West
Salt Lake City, Utah 84119
United States of America
Tel: +1 (801) 972 6430

Basis of Preparation

This financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of applicable accounting standards including Australian interpretations and the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with IFRS. The financial report includes the consolidated financial statements of the Company. For purposes of preparing the consolidated financial statements, the Company is a for-profit entity;
- is presented in United States dollars, which is Boart Longyear Limited's functional and presentation currency. All values have been rounded to the nearest thousand dollars (US'000) unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191. The financial statements were authorised for issue by the Directors on 26 February 2021;
- applies accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. These accounting policies have been consistently applied by each entity in the Company;
- is prepared by combining the financial statements of all of the entities that comprise the consolidated entity, Boart Longyear Limited and subsidiaries as defined in *AASB 10 Consolidated Financial Statements*. Consistent accounting policies are applied by each entity and in the preparation and presentation of the consolidated financial statements; Subsidiaries are all entities for which the Company (a) has power over the investee (b) is exposed or has rights, to variable returns from involvement with the investee and (c) has the ability to use its power to affect its return. All three of these criteria must be met for the Company to have control over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until such time as the Company ceases to control such entity.
- all inter-company balances and transactions, and unrealised income and expenses arising from inter-company transactions, are eliminated.
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 35 for further details.

The financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments that are stated at fair value. Cost is based on fair values of the consideration given in exchange for assets. The financial report has also been prepared on the basis that the Company is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION (CONTINUED)

Going Concern

The financial report has been prepared on the going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors consider that current and expected liquidity from operating cashflow, cash on hand and available drawings under the Company's Asset Backed Revolver Bank Loan will be adequate to enable the Company to meet its debts and obligations as and when they fall due for the twelve months from the date of issuance of this financial report, subject to the matters described below.

As at 31 December 2020 the Company had net liabilities of \$469.4 million (31 December 2019: \$382.2 million as restated) and incurred a loss after tax for the year then ended of \$98.8 million (31 December 2019: \$56.6 million as restated).

The Company had total loans and borrowings at 31 December 2020 of \$878.6 million (31 December 2019: \$801.7 million as restated) maturing in the period July 2022 to December 2022 (further details are set out in Note 21).

As described below, during the period to 31 December 2020, the Company was impacted by the COVID-19 global pandemic with the slowing or in some cases ceasing of exploration activity. The Company implemented its business continuity plan which included ceasing all non-essential international and domestic travel, temporary salary reductions for employees, and amending the terms of the Company's Senior Secured Notes to satisfy interest payments of \$12.7 million due at both June 2020 and December 2020 by way of payment-in-kind rather than payment of cash.

Despite the difficult trading conditions, the Company generated statutory EBITDA for the year ended 31 December 2020 of \$40.3 million (31 December 2019: \$66.5 million) and net cash inflows from operations of \$49.4 million (31 December 2019: \$35.3 million).

The majority of the Company's debt facilities as set out in Note 21 of this report mature in late December 2022. The Company's ability to refinance or renew this debt when it becomes due will depend on a number of circumstances including the Company's ability to generate cash flows, its success in managing the matters identified below, and the prevailing market conditions at the time the debt matures.

As announced to ASX on 7 January 2021, the Company engaged Rothschild & Co as advisor to support the Company's evaluation of potential options in anticipation of the maturation of the Company's debt facilities through the second half of 2022 including for refinancing or recapitalisation. At the date of this report the evaluation of options is ongoing.

The Company has prepared detailed cash flow forecasts for the period to 1 March 2022 modelling the financial impact of ongoing actions to improve operational performance and cash flows, financial results, and liquidity.

In preparing those forecasts the Company has used best estimate assumptions. The Directors have assessed the Company's cash flow forecasts and revenue projections based on the level of market activity across the Company's operations delivered in the months subsequent to June 2020 following the recovery from the low levels of activity experienced in March, April and May 2020 as a result of COVID-19.

The cash flow forecasts contain certain assumptions which are inherently uncertain and are subject to variation due to factors which are outside the control of the Company, the key assumptions being:

- Achieving the key assumptions underpinning the forecast EBITDA performance;
- Working capital movements in respect of inventory, receivables and payables;
- That the timing and outcome of the tax audits detailed in Note 10 are in line with the Directors' best estimates; and
- There is no further significant slowdown or ceasing of exploration activity as a result of government imposed closures or customers choosing to reduce their exposure across their operations by delaying projects as a result of COVID-19.

The Company's cash flow forecast for the period to 1 March 2022 specifically assumes that cash interest due on the Senior Secured Notes in June 2021 and December 2021 of \$14.3 million and \$14.5 million, respectively, is not paid on the basis that either agreement is reached with the Senior Secured Note holders to satisfy the interest obligation through payment-in-kind and/or deferral of payment to at least March 2022 or a broader refinance/restructure of the Company's debt facilities is agreed in a form acceptable to the Senior Secured Note holders such that the obligation to pay cash interest is removed.

In the Directors' opinion, the ability of the Company to continue as a going concern is dependent on:

- Securing an agreement to remove the obligation to pay cash interest on the Senior Secured Notes in June 2021 and December 2021; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION (CONTINUED)

Going Concern (Continued)

- The ongoing support of the Company's debt providers, including negotiating a refinancing or recapitalisation of the debt facilities, which currently expire in the second half of 2022.

The Directors believe that at the date of signing the financial report the Company will be successful in reaching an agreement with the debt providers with respect to the removal of the obligation to pay cash interest on the Senior Secured Notes through either a separate agreement specifically in relation to the interest payable on the Senior Secured Notes and/or a refinancing or recapitalisation and accordingly have prepared the financial report on the going concern basis.

However, at the date of signing the financial report no agreement has been reached with the Company's debt providers and therefore a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore whether the Company will realise its assets and settle its liabilities and commitments in the normal course of business and in the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Impact of COVID-19

On 11 March 2020, the World Health Organization designated COVID-19 as a global pandemic. COVID-19 has surfaced in nearly all regions of the world, which has driven the implementation of significant, government-imposed measures to prevent or reduce its spread. As a result of the COVID-19 pandemic, the Company implemented its business continuity plan. The plan included measures required to protect the health and well-being of employees while ensuring ongoing operations sustainability; transitioning of corporate and regional office staff to work from home; and ceasing all non-essential international and domestic travel.

Government Assistance

In response to the COVID-19 pandemic, many governments implemented legislation to help businesses experiencing financial difficulty stemming from the pandemic. The Company has been successful in securing a number of government relief packages which have improved liquidity and/or reduced operating expenses.

The Company recognised subsidies of \$6.7 million under the Canada Employee Wage Subsidy program to cover a portion of eligible employee wages in Canada for the year ended 31 December 2020. These subsidies were recognised as a deduction to employee salaries reducing the Company's current year operating loss. As of 31 December 2020, the Company had received \$6.2 million in funds under the Canada Employee Wage Subsidy program increasing the Company's cash flows provided by operations.

The Company also received payroll tax relief deferrals of \$2.7 million in the United States in accordance with the Coronavirus Aid, Relief, and Economic Security Act Employee Retention Payroll Tax Credit. Although the expense associated with the payroll taxes was recognised during the year, the deferral of these payments has improved the Company's cash flows provided by operations.

Deferred Rent and Rent Relief

To preserve cash and improve liquidity, the Company was able to successfully defer rent payments and/or receive rent abatements on several lease contracts. The Company has elected to apply the practical expedient offered by *COVID-19-Related Rent Concessions (Proposed amendment to AASB 16)*. Under this practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all of the following criteria are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to the other terms and conditions of the lease.

The impact of applying this practical expedient was immaterial to the Company's Condensed Consolidated Statement of Profit or Loss for the year ended 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION (CONTINUED)

Restatement of prior periods

Following the amendment to the Senior Secured Notes as announced to the ASX on 19 June 2020, the Company became aware that it had not been accounting correctly for the Applicable Premium following its addition to the Senior Secured Notes as part of the 2017 Debt Restructure. The Applicable Premium was negotiated into the terms of the Senior Secured Notes as part of the settlement with First Pacific Advisors as announced to the market on 9 August 2017 and becomes payable at the maturity of the notes due December 2022 (as well as in certain circumstances if the Senior Secured Notes are redeemed prior to maturity). The Applicable Premium had not been considered in determining the finance costs and Loans and Borrowings for the periods ended 31 December 2017 through to 31 December 2019. As a result, the Company has restated affected comparative financial information in these consolidated financial statements.

The following tables illustrate the effects of this restatement on the Company's consolidated financial statements for those line items affected (these revisions have no net impact on the Company's net cash amounts provided by or used in operating, financing or investing activities for any of the periods previously reported):

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 December 2019		
	As previously		
	reported	Adjustment	As restated
Finance costs	(64,119)	(11,245)	(75,364)
Loss before taxation	(36,915)	(11,245)	(48,160)
Loss for the period attributable to equity holders of the parent	(45,371)	(11,245)	(56,616)
Loss per share	(51.8) cents	(12.8) cents	(64.6) cents

Consolidated Statement of Financial Position:

	Balance at 31 December 2019		
	As previously		
	reported	Adjustment	As restated
Loans and borrowings (non-current)	775,985	17,403	793,388
Accumulated losses	(1,578,162)	(17,403)	(1,595,565)

	Balance at 31 December 2018		
	As previously		
	reported	Adjustment	As restated
Loans and borrowings (non-current)	720,268	6,158	726,426
Accumulated losses	(1,532,651)	(6,158)	(1,538,809)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION (CONTINUED)

Key Judgements and Estimates

In applying Australian Accounting Standards, management is required to make judgments, estimates and form assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported revenue and expenses during the periods presented herein. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the respective periods in which they are revised if only those periods are affected, or in the respective periods of the revisions as well as future periods if the revision affects both current and future periods.

The key judgments, estimates and assumptions that have or could have the most significant effect on the amounts recognised in the financial statements, are found in the following notes:

Note 1	Going Concern
Note 10	Income Tax
Note 13	Inventories
Note 16	Impairment of Assets
Note 22	Provisions
Note 28	Contingent Liabilities

Foreign Currency

The Company's presentation currency is the US dollar. The financial statements of the Company and its subsidiaries have been translated into US dollars using the exchange rates at each balance sheet date for assets and liabilities and at average exchange rates for revenue and expenses throughout the period. The effects of exchange rate fluctuations on the translation of assets and liabilities are recorded as movements in the Foreign Currency Translation Reserve ("FCTR").

The Company determines the functional currency of its subsidiaries based on the currency used in their primary economic environment, and, as such, foreign currency translation adjustments are recorded in the FCTR for those subsidiaries with a functional currency different from the US dollar. The cumulative currency translation is transferred to the income statement when a subsidiary is disposed of or liquidated.

Transaction gains and losses, and unrealised translation gains and losses on short-term inter-company and operating receivables and payables denominated in a currency other than the functional currency, are included in other income or other expenses in profit or loss. Where an inter-company balance is, in substance, part of the Company's net investment in an entity, exchange gains and losses on that balance are taken to the FCTR.

Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is based on the Company's two general operating activities: Global Drilling Services and Global Products. The Global Drilling Services segment provides a broad range of drilling services to companies in mining, energy and other industries. The Global Products segment manufactures and sells drilling equipment and performance tooling to customers in the drilling services and mining industries.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment profit shown below is consistent with the income reported to the chief operation decision maker for the purposes of resource allocation and assessment of segment performance. Segment profit represents earnings before interest and taxes.

Segment revenue and results

	Segment Revenue		Segment Profit	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000 (Restated ³)
Global Drilling Services	456,267	516,313	8,511	58,289
Global Products revenue				
Products third party revenue	200,998	228,669		
Products inter-segment revenue ¹	56,407	56,898		
Total Global Products	257,405	285,567	16,381	14,554
Less Global Product sales to Global Drilling Services	(56,407)	(56,898)		
Total third party revenue	657,265	744,982		
Total segment profit			24,892	72,843
Unallocated costs ²			(25,571)	(45,689)
Finance costs			(92,877)	(75,364)
Interest income			43	50
Loss before taxation			(93,513)	(48,160)

- (1) Transactions between segments are carried out at arm's length and are eliminated on consolidation.
- (2) Unallocated costs include corporate general and administrative costs as well as other expense items such as foreign exchange gains or losses.
- (3) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

Other segment information

	Depreciation and amortisation of segment assets		Additions to non-current assets	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Global Drilling Services	30,593	28,515	26,016	52,794
Global Products	6,585	7,350	10,944	29,438
Total of all segments	37,178	35,865	36,960	82,232
Unallocated ¹	3,786	3,483	2,120	10,612
Total	40,964	39,348	39,080	92,844

- (1) Unallocated additions to non-current assets relate to the acquisition of general corporate assets such as software and hardware.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SEGMENT REPORTING (CONTINUED)

Geographic information

The Company's two business segments operate in four principal geographic areas – North America, Asia Pacific, Latin America and EMEA. The Company's revenue from external customers and information about its segment assets by geographical locations are detailed below:

	Revenue from external customers		Non-current assets ¹	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
North America	291,489	341,041	198,323	214,841
Asia Pacific	170,548	172,001	50,775	44,967
Latin America	66,865	97,555	13,268	23,005
EMEA	128,363	134,385	31,616	29,135
Total	657,265	744,982	293,982	311,948

(1) Non-current assets excluding deferred tax assets and post-employment assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. REVENUE

Boart Longyear operates two different business units throughout various geographical locations – Global Drilling Services and Global Products, which includes our Geological Data Services.

Global Drilling Services

The Company performs various types of drilling services within the mining and minerals industry. Contracts entered into can cover services which involve different processes and continuous drilling services activities in a sequential set of mobilisation, drilling, and demobilisation activities which are invoiced to the customer as those activities progress. These processes and activities are highly inter-related, and the Company provides a significant service of integration of such activities. Where this is the case, these activities and processes are accounted for as one performance obligation.

Revenue from services rendered is recognised in the statement of profit and loss and other comprehensive income over time. Boart Longyear has a contractual right to consideration from a customer for an amount that corresponds directly with the value to the customer of the performance completed to date (for example, number of meters drilled). As a result, Boart Longyear applies the practical expedient under AASB 15.B16 to recognise revenue at the amount which it has the right to invoice.

Customers are generally invoiced on a fortnightly basis and revenue is recognised in the accounting period in which the right to invoice is obtained. Payment is received following invoice according to standard payment terms, which are generally between 30 to 60 days. There are no significant financing components. Most drilling services contracts do not include variable payment terms. Where variable payment terms exist, these are usually in the form of penalties for late completion. Variable consideration is only recognised to the extent that it is considered highly probable that such amounts will not reverse in the future and is estimated using the expected value approach.

Global Products

The Company manufactures, distributes and sells equipment that is necessary for the mining and mineral industry. Sales orders are completed across multiple geographies for products, such as large drill rigs, and drilling components, such as bits and coring rods. Each product promised to the customer is distinct under the contract according to AASB 15.27 and gives rise to a separate performance obligation. Revenue is recognised when control of the products has transferred to the customer. Transfer of control happens at the point the products are delivered to the customer for drilling rigs and at the point the products are shipped to the customer's specific location for drilling components. The transaction price is allocated to each product on stand-alone basis.

Payment is received following invoice according to standard payment terms, which are generally between 30 to 60 days. There are no significant financing components and there is no significant reversal of variable consideration expected at the point of revenue recognition.

The components of revenue are as follows:

	2020	2019
	US\$'000	US\$'000
Revenue from the rendering of services	456,267	516,313
Revenue from the sale of goods	200,998	228,669
	657,265	744,982

There was one customer that contributed 12% of the Company's revenue in 2020 and no customer contributed 10% or more to the Company's revenue in 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. OTHER INCOME / EXPENSE

The components of other income are as follows:

	2020 US\$'000	2019 US\$'000
Gain on disposal of property, plant and equipment	1,998	3,161
Gain on disposal of scrap	570	610
Other ¹	3,253	3,017
Total other income	<u>5,821</u>	<u>6,788</u>

(1) Other income includes a \$2.0 million gain on the sale of a net smelter return royalty.

The components of other expense are as follows:

	2020 US\$'000	2019 US\$'000
Amortisation of intangible assets ¹	1,818	2,587
Value added tax	280	-
Loss on foreign currency exchange differences	4,087	3,879
Impairment of Latin America property, plant and equipment ²	6,807	-
Impairment of property, plant and equipment ²	1,492	-
Impairment of Intangible Assets ³	-	5,787
Other	2,632	2,709
Total other expenses	<u>17,116</u>	<u>14,962</u>

(1) Total amortisation of intangible assets for the year is \$3.4 million, as presented in Note 19. Amortisation expense of \$1.6 million for development assets was recorded within research and development expenses, while \$1.8 million of amortisation was recorded within other expenses. In the year ended 31 December 2019 amortisation totaled \$4.6 million, while \$2.0 million was recorded in research and development, and \$2.6 million was recorded within other expenses.

(2) Fixed asset impairments of \$8.3 million were recorded during the year ended 31 December 2020. These impairments were recorded within other expenses. Impairments of \$0.2 million in the year ended 31 December 2019 were recorded in general and administrative expenses. See Note 17.

(3) Total impairment of intangible assets for the year ended 31 December 2020 was \$0.5 million, as presented in Note 19. Patent impairments of \$0.4 million and development asset impairments of \$0.1 million were recorded within general and administrative expenses. In the year ended 31 December 2019, \$2.5 million of patent impairments were recorded within general and administrative expenses, and \$0.7 million of development asset impairments were recorded within research and development expenses, while the remaining \$5.8 million of impairments were recorded within other expense. See Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5. INTEREST INCOME / FINANCE COSTS

Interest income is as follows:

	2020 US\$'000	2019 US\$'000
Interest income:		
Bank deposits	43	50

Finance costs are as follows:

	2020 US\$'000	2019 US\$'000
Finance costs:		(Restated¹)
Interest on loans and bank overdrafts	62,496	59,588
Debt modification ²	11,786	-
Applicable premium	13,729	11,245
Amortisation of debt issuance costs	1,148	1,374
Interest on lease liabilities	3,191	3,157
Other	527	-
Total finance costs	92,877	75,364

- (1) The comparative information has been restated as a result of additional accreted interest recorded on the senior secured notes as discussed in Note 1.
 (2) See Note 21.

6. LOSS FOR THE YEAR

Loss for the year includes the following:

(a) Gains and losses

Loss for the year includes the following gains and (losses):

	2020 US\$'000	2019 US\$'000
Gain on disposal of property, plant and equipment	1,998	3,161
Net foreign exchange losses	(4,087)	(3,879)
Net change in bad debt expense	(564)	305

(b) Employee benefits expenses

	2020 US\$'000	2019 US\$'000
Salaries and wages	(215,825)	(244,125)
Post-employment benefits:		
Defined contribution plans	(9,867)	(9,046)
Defined benefit plans	(1,374)	(1,514)
Termination benefits	(1,911)	(3,222)
Other employee benefits ¹	(56,635)	(64,025)
	(285,612)	(321,932)

- (1) Other employee benefits include items such as medical benefits, workers' compensation, other fringe benefits and state taxes.

(c) Other

	2020 US\$'000	2019 US\$'000
Depreciation of non-current assets	(37,591)	(34,764)
Amortisation of non-current assets	(3,373)	(4,584)
Rental expense	(18,179)	(16,491)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7. REMUNERATION OF AUDITORS

	2020 US\$'000	2019 US\$'000
Company auditor's remuneration		
Audit and review of the financial report:		
Auditor of the parent entity	783	833
Related practices of the parent entity auditor	710	771
	<u>1,493</u>	<u>1,604</u>
Non-audit services:		
Tax Consultation	44	96
Tax Compliance	199	269
Tax Audit Support	196	298
	<u>439</u>	<u>663</u>
Total remuneration to Company auditor	<u>1,932</u>	<u>2,267</u>

Boart Longyear Limited's auditor is Deloitte Touche Tohmatsu. The Company has employed Deloitte Touche Tohmatsu on assignments in addition to their audit duties where their expertise and experience with the Company are important. These assignments principally have been related to tax advice and tax compliance services, the magnitude of which is impacted by the global reach of the Company.

The Board and its Audit, Safety & Risk Committee are committed to ensuring the independence of the external auditor. Accordingly, significant scrutiny is given to non-audit engagements of the external auditor. The Company has a formal pre-approval policy which requires the pre-approval of non-audit services by the Chairman of the Audit Committee. Additionally, the total annual fees for such non-audit services cannot exceed the auditor's annual audit fees without the approval of the Audit Committee. The Audit Committee believes that the combination of these two approaches results in an effective procedure to pre-approve services performed by the external auditor.

8. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Company is set out below.

	2020 US\$'000	2019 US\$'000
Short-term employee benefits	3,498	5,301
Post-employment benefits	38	42
Other long-term benefits	-	628
Termination benefits	4	-
Share-based payments	262	60
Total key management personnel compensation	<u>3,802</u>	<u>6,031</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. EMPLOYEE LONG TERM INCENTIVE PAYMENTS

In January of 2018, the long-term incentive plan (“LTIP”) design changed, with the termination of the LTIP and approval of the Management Incentive Plan (“MIP”). LTIP was replaced with the new MIP. The MIP is driven by Total Enterprise Value (“TEV”). The MIP creates value for participants when specific criteria are reached for performance as well as time vesting. The MIP enables cash and/or share releases to participants as and when its shareholders monetise their shareholdings at various volumes.

No trigger events have taken place since the implementation of the MIP, so no amounts have been recorded in the financial statements from 1 January 2018 to 31 December 2020.

Effective 30 July 2020, shareholders approved a Long-Term Equity Incentive Plan (“Equity Incentive Plan”). The Equity Incentive Plan allows the Company’s Remuneration Nominations and Governance Committee to grant incentive performance stock units to senior leaders, or others, as appropriate. This Committee will set performance metrics that management and senior leaders will have to achieve to receive their awards. The Plan will terminate 10 years after the Effective Date.

No performance stock units were awarded under the Equity Incentive Plan during the year ended 31 December 2020.

As at 31 December 2020, the Company had 43,158 vested and unexpired options. The options have grant dates varying from 15 March 2014 to 19 May 2014 and will expire on various dates in years 2024 through 2026. They have exercise prices varying from USD \$57.60 to USD \$96.00. On 15 March 2020, 46,992 options were forfeited as the performance conditions were not met.

As at 31 December 2020, the Company had no outstanding share or cash rights.

10. INCOME TAXES

Income Taxes

The Company is subject to income taxes in Australia and other jurisdictions around the world in which the Company operates. Significant judgment is required in determining the Company’s tax assets and liabilities. Judgments are required about the application of income tax legislation and its interaction with income tax accounting principles. Tax positions taken by the Company are subject to challenge and audit by various income tax authorities in jurisdictions in which the Group operates.

Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Statement of Financial Position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses, foreign tax credits and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management’s estimates of future cash flows.

These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and tax liabilities recognised on the Statement of Financial Position. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and tax liabilities may require adjustment, resulting in a corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

Current and deferred taxation

Income tax expense includes current and deferred tax expense (benefit) and is recognised in Statement of Profit or Loss and Other Comprehensive Income except to the extent that (1) amounts relate to items recognised directly in equity, in which case the income tax expense (benefit) is also recognised in equity, or (2) amounts that relate to a business combination, in which case the income tax expense (benefit) is recognised in goodwill.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates provisions taken in tax returns with respect to situations in which applicable tax regulation is open to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. INCOME TAXES (CONTINUED)

Deferred income tax is provided on all temporary differences for which transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred but have not reversed at the balance sheet date. Temporary differences are differences between the Company's taxable income and its profit before taxation, as reflected in profit or loss, that arise from the inclusion of profits and losses in tax assessments in periods different from those in which they are recognised in profit or loss.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they likely will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of the deferred tax asset to be realised.

Tax consolidation

The Company includes tax consolidated groups for the entities incorporated in Australia and the United States. The Parent Entity and its wholly-owned Australian resident entities are part of the same tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Boart Longyear Limited. Companies within the US group also form a tax-consolidated group within the United States.

Tax expense (benefit) and deferred tax assets/liabilities arising from temporary differences of the members of each tax-consolidated group are recognised in the separate financial statements of the members of that tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity. Tax credits of each member of the tax-consolidated group are recognised by the head entity in that tax-consolidated group.

Entities within the Australian tax-consolidated group have entered into tax-funding arrangements with the head entity. Under the terms of the tax-funding arrangements, the tax-consolidated groups and each of the entities within the tax-consolidated group agrees to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable or payable to other entities in the tax-consolidated group.

Uncertain Tax Positions

The Company is subject to income taxes in Australia and other foreign jurisdictions and the calculation of the Company's tax charge involves a degree of estimation and judgement in respect to certain items. In addition, there are transactions and calculations relating to the ordinary course of business for which the ultimate tax determination is uncertain. As a result, a provision is recognised in accordance with IFRIC 23 *Uncertainty over income tax treatments* for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases, is based on specialist independent tax advice. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation regarding arrangements entered into by the Company. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Provisions for uncertain tax positions and tax contingencies are presented in non-current provisions. Refer to Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. INCOME TAXES (CONTINUED)

(a) Income tax expense is comprised of:

	2020 US\$'000	2019 US\$'000 (Restated ²)
Income tax expense:		
Current tax expense	1,187	8,160
Adjustments recognised in the current year in relation to the current tax of prior years	(49)	(1,597)
Deferred tax expense	4,115	1,893
	<u>5,253</u>	<u>8,456</u>

(b) Reconciliation of the prima facie income tax expense on pre-tax accounting profit to the income tax expense in the financial statements:

Loss before taxation	(93,513)	(48,160)
Income tax benefit calculated at Australian rate of 30%	(28,054)	(14,448)
Impact of non-Australia tax rates	2,390	3,528
Net non-deductible/non-assessable items	24,415	9,486
Net unrecognised tax losses and tax credits for the current year ¹	9,511	10,864
Recognition of deferred tax assets arising in prior years	(1,211)	(90)
Other	(1,749)	713
	<u>5,302</u>	<u>10,053</u>
Over provision from prior years	(49)	(1,597)
Income tax expense per the Consolidated Statement of Profit or Loss and Other Comprehensive Income	<u>5,253</u>	<u>8,456</u>

(1) Due to the group being in a tax loss position in many jurisdictions during the current financial year, the Company has not recognised a tax benefit for current period losses.

(2) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

(c) Income tax recognised directly in equity during the period:

The following current and deferred amounts were charged directly through equity during the year:

	2020 US\$'000	2019 US\$'000
Deferred tax recognised in equity:		
Actuarial movements on defined benefit plans	(861)	(1,047)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. INCOME TAXES (CONTINUED)

(d) Tax assets and liabilities:

	2020 US\$'000	2019 US\$'000
Tax assets:		
Income tax receivable attributable to:		
Other entities ¹	2,066	13,315
Current tax liabilities:		
Income tax payable attributable to:		
Parent	1,508	1,387
Entities other than parent and entities in the consolidated group	6,757	4,037
	<u>8,265</u>	<u>5,424</u>

(1) The income tax receivable for 2020 is \$2.1 million (2019: \$13.3 million) of which \$0.5 million is classified as current tax receivable and \$1.6 million is classified as non-current tax receivable (2019: \$2.5 million and \$10.8 million respectively).

(e) Deferred tax balances:

	2020 US\$'000	2019 US\$'000
Deferred tax comprises:		
Temporary differences	(17,426)	(13,291)
Unused tax losses and credits	11,986	13,288
	<u>(5,440)</u>	<u>(3)</u>

(f) Provision for tax contingencies:

	2020 US\$'000	2019 US\$'000
Provision for tax contingencies ¹	49,427	63,792

(1) See Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. INCOME TAXES (CONTINUED)

2020	Opening balance US\$'000	Recognised in income US\$'000	FX differences US\$'000	Acquired/ disposed US\$'000	Recognised in equity US\$'000	Closing balance US\$'000
Deferred tax assets (liabilities)						
temporary differences						
Property, plant and equipment	3,735	(2,043)	(314)	-	-	1,378
Provisions	660	174	(56)	-	-	778
Doubtful debts	-	176	-	-	-	176
Other intangible assets	(17,378)	(2,005)	-	-	-	(19,383)
Accrued liabilities	179	161	(15)	-	-	325
Pension	(1,546)	(173)	130	-	(861)	(2,450)
Inventories	2,117	(113)	(178)	-	-	1,826
Investments in subsidiaries	(240)	240	-	-	-	-
Unrealised foreign exchange	(1,163)	555	-	-	-	(608)
Other	345	215	(28)	-	-	532
	<u>(13,291)</u>	<u>(2,813)</u>	<u>(461)</u>	-	<u>(861)</u>	<u>(17,426)</u>
Unused tax losses and credits:						
Tax losses	13,288	(1,302)	-	-	-	11,986
	<u>(3)</u>	<u>(4,115)</u>	<u>(461)</u>	-	<u>(861)</u>	<u>(5,440)</u>

Presented in the statement of financial position as follows:

Deferred tax asset	13,252
Deferred tax liability	<u>(18,692)</u>
	<u>(5,440)</u>

Where deferred tax assets have been recognised, it is considered probable that the Company will generate sufficient future taxable income to utilise the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. INCOME TAXES (CONTINUED)

2019	Opening balance US\$'000	Recognised in income US\$'000	FX differences US\$'000	Acquired/ disposed US\$'000	Recognised in equity US\$'000	Closing balance US\$'000
Deferred tax assets (liabilities)						
temporary differences						
Property, plant and equipment	4,087	(257)	(95)	-	-	3,735
Provisions	2,744	(2,020)	(64)	-	-	660
Doubtful debts	16	(16)	-	-	-	-
Other intangible assets	(16,471)	(907)	-	-	-	(17,378)
Accrued liabilities	2,464	(2,228)	(57)	-	-	179
Pension	(346)	(161)	8	-	(1,047)	(1,546)
Inventories	1,977	186	(46)	-	-	2,117
Investments in subsidiaries	-	(240)	-	-	-	(240)
Unrealised foreign exchange	(275)	(888)	-	-	-	(1,163)
Other	682	(321)	(16)	-	-	345
	<u>(5,122)</u>	<u>(6,852)</u>	<u>(270)</u>	<u>-</u>	<u>(1,047)</u>	<u>(13,291)</u>
Unused tax losses and credits:						
Tax losses	8,329	4,959	-	-	-	13,288
	<u>3,207</u>	<u>(1,893)</u>	<u>(270)</u>	<u>-</u>	<u>(1,047)</u>	<u>(3)</u>

Presented in the statement of financial position as follows:

Deferred tax asset	16,875
Deferred tax liability	(16,878)
	<u>(3)</u>

	2020 US\$'000	2019 US\$'000
Unrecognised deferred tax assets		
Tax benefit of unused losses ¹	279,420	282,843
Tax benefit of unused capital losses ²	508,434	388,707
Unused tax credits ³	13,842	15,939
Tax benefit of temporary differences	45,938	49,526
	<u>847,634</u>	<u>737,015</u>

- (1) \$49.9 million of the tax benefit of unused losses expire within 3-20 years and \$229.5 million related to tax losses that do not expire (2019: \$79.0 million and \$203.8 million respectively).
- (2) The tax basis was established with reference to historic 2007 initial public offering values. Capital losses can only be offset against capital gains in most jurisdictions.
- (3) All of the unused tax credits of \$13.8 million will expire within 1-10 years and remaining credits have no expiry date.

Canadian income tax audits

As previously disclosed by the Company, the Canada Revenue Agency ("CRA") has reassessed the 2007 through 2016 tax years. The Company has resolved the 2007 through 2009 tax years, resulting in a final assessment of additional tax, penalties and interest of C\$7.4 million, all of which has been settled at the end of 2020. Tax years 2010 through 2017 remain in various stages of audit or appeal with the CRA or are proceeding under the mutual agreement procedure, which is a negotiation between Canada and Switzerland on the allocation of taxable profits between the countries. The remaining unsettled tax, penalties and interest for these years could result in a maximum remaining assessment of C\$46 million. After the application of tax credits and payments, the maximum future cash outlay could be C\$35 million for the remaining 2010-2016 unsettled issues. The Company plans to vigorously dispute these reassessments. Due to the uncertainty surrounding these audits, a provision for the estimated outcome has been recognised as a non-current provision. Refer to Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11. LOSS PER SHARE

	2020 US cents per share	2019 US cents per share (Restated¹)
Basic loss per share	(112.3)	(64.6)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2020 US\$'000	2019 US\$'000 (Restated¹)
Loss used in the calculation of basic EPS	(98,766)	(56,616)

	2020 '000	2019 '000
Weighted average number of ordinary shares for the purposes of basic loss per share	87,974	87,656

- (1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12. TRADE AND OTHER RECEIVABLES

Trade receivables are recorded at amortised cost. The Company reviews collectability of trade receivables on an ongoing basis and provides allowances for credit losses when there is evidence that trade receivables may not be collectible. These losses are recognised in the income statement within operating expenses. When a trade receivable is determined to be uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are recorded in other income in profit or loss.

	2020	2019
	US\$'000	US\$'000
Trade receivables	98,589	102,054
Loss allowance	(1,519)	(1,015)
Goods and services tax receivable	10,924	10,183
Other receivables	1,572	2,516
	109,566	113,738

The ageing of trade receivables is detailed below:

	2020	2019
	US\$'000	US\$'000
Current	93,676	90,525
Past due 0 - 30 days	1,787	8,655
Past due 31 - 60 days	819	1,325
Past due 61 - 90 days	602	480
Past due 90 days	1,705	1,069
	98,589	102,054

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company's policy requires customers to pay the Company in accordance with agreed payment terms. The Company's settlement terms are generally 30 to 60 days from date of invoice. All credit and recovery risk associated with trade receivables has been provided for in the statement of financial position. Trade receivables have been aged according to their original due date in the above ageing analysis. No interest is charged on trade receivables.

Credit risk management

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, when appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on accounts receivable. The Company holds security for a number of trade receivables in the form of letters of credit, deposits, and advance payments.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. No derivative financial instruments were entered into during 2020 or 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. INVENTORIES

Inventories are measured at the lower of cost or net realisable value. The cost of most inventories is based on a standard cost method, which approximates actual cost on a first-in first-out basis, and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overhead expenses (including depreciation) based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Allowances are recorded for inventory considered to be excess or obsolete and damaged items are written down to the net realisable value. Due to the decline in the demand for products, and consumables used in our Global Drilling Services business, and the high inventory balances across the group and the speed at which inventory is turning in the current market, significant judgment is required in determining net realisable value of inventory. For the period ended 31 December 2020, the Company updated some of the key assumptions used to estimate the allowance for excess or obsolete inventory, resulting in an increase to obsolescence expense of \$5.0 million recognised in 2020. The impacts of this change in estimate were recognised prospectively in the current period Consolidated Statement of Profit or Loss as a component of COGS in accordance with AASB 8, *Accounting policies, changes in accounting estimates and errors*.

	2020 US\$'000	2019 US\$'000
Raw materials	19,244	28,938
Work in progress	6,960	5,404
Finished products	132,123	128,746
	<u>158,327</u>	<u>163,088</u>

The allowance for excess or obsolete inventory was \$23.5 million and \$20.3 million as at 31 December 2020 and 2019, respectively. The change in accounting estimate described in the preceding paragraph contributed to the increase in the allowance.

14. FINANCIAL RISK MANAGEMENT

Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Company consists of debt, which includes the loans and borrowings disclosed in Note 21, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves, and accumulated losses/retained earnings.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed throughout these notes.

Credit risk management

The Company reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Of the outstanding loans and borrowings, Centerbridge Partners, L.P. accounted for \$292.4 million of Term Loans outstanding with \$51.0 million of accreted interest. Centerbridge Partner, L.P., and Ascribe Capital hold \$17.3 million of the backstop ABL with \$5.4 million of accreted interest. There are no significant concentrations of credit risk. The carrying amount reflected above represents the Company's maximum exposure to credit risk for trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management objectives

The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

Company subsidiaries undertake certain transactions denominated in currencies other than their functional currency, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The Company did not utilise any derivative instruments during the years ended 31 December 2020 or 2019.

The most significant carrying amounts of monetary assets and monetary liabilities (which include intercompany balances with other subsidiaries) that: (1) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (2) cause foreign exchange rate exposure, as at 31 December are as follows:

	Assets		Liabilities	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Australian Dollar	95,684	48,180	95,895	83,294
Canadian Dollar	331	46	9,080	11,269
Euro	2,274	9,942	10,947	19,334
US Dollar	471,190	451,962	173,796	187,169

Foreign currency sensitivity

The Company is mainly exposed to exchange rate fluctuations in the Australian Dollar (AUD), Canadian Dollar (CAD), Euro (EUR) and United States Dollar (USD). The Company is also exposed to translation differences as the Company's presentation currency is different from the functional currencies of various subsidiaries. However, this represents a translation risk rather than a financial risk and consequently is not included in the following sensitivity analysis.

The following tables reflect the Company's sensitivity to a 10% change in the exchange rate of each of the currencies listed above. This sensitivity analysis includes only outstanding monetary items denominated in currencies other than the respective subsidiaries' functional currencies and remeasures these at the respective year end to reflect a 10% decrease in the indicated currency against the respective subsidiaries' functional currencies. A positive number indicates an increase in net profit and/or net assets.

	10% decrease in AUD		10% decrease in CAD	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Net profit	1,701	4,428	792	1,013
Net assets	18	3,191	792	1,013

	10% decrease in EUR		10% decrease in USD	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Net profit	766	44	5,845	9,957
Net assets	766	44	(27,036)	(24,072)

In management's opinion, the sensitivity analysis is not fully representative of the inherent foreign exchange risk as the year-end exposure may not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Forward foreign exchange contracts

There were no open forward foreign currency contracts as at 31 December 2020 or 2019.

Interest rate risk management

Most of the Company's loan portfolio is at fixed interest rates, as such it has less exposure to variable interest rates than fixed interest rates.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's Treasurer and Board.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk

The following tables reflect the expected maturities of non-derivative financial liabilities as at 31 December 2020 and 2019. These are based on the undiscounted expected cash flows of financial liabilities based on the maturity profile per the loan agreement. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount on the balance sheet.

	Weighted average effective interest rate %	Less than 1 month US\$'000	1 to 3 months US\$'000	3 months to 1 year US\$'000	1 - 5 years US\$'000	5+ years US\$'000	Adjust- ment US\$'000	Total US\$'000
31 December 2020								
Non-interest bearing payables	-	68,648	29,367	-	-	-	-	98,015
Variable interest rate instruments	3.7%	71	143	642	23,407	-	(1,334)	22,929
Fixed interest rate instruments	10.0%	-	-	28,825	947,132	-	(160,353)	815,604
Leases	8.7%	216	23	9,128	21,632	5,622	-	36,621
Equipment financing	9.5%	69	137	657	2,549	-	-	3,412
		69,004	29,670	39,252	994,720	5,622	(161,687)	976,581
31 December 2019								
Non-interest bearing payables	-	76,338	34,785	-	-	-	-	111,123
Variable interest rate instruments	5.3%	154	308	1,386	37,786	-	(4,733)	34,901
Fixed interest rate instruments ¹	9.8%	-	-	-	902,824	-	(170,639)	732,185
Leases	6.6%	774	1,447	6,107	20,872	7,435	-	36,635
		77,266	36,540	7,493	961,482	7,435	(175,372)	914,844

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The following tables reflect the expected maturities of non-derivative financial assets. These are based on the undiscounted expected cash flows of the financial assets.

	Less than 1 month US\$'000	1 to 3 months US\$'000	3 months to 1 year US\$'000	Total US\$'000
2020				
Non-interest bearing receivables	59,300	38,545	11,721	109,566
Cash	23,513	-	-	23,513
	<u>82,813</u>	<u>38,545</u>	<u>11,721</u>	<u>133,079</u>
2019				
Non-interest bearing receivables	56,586	45,269	11,883	113,738
Cash	20,240	-	-	20,240
	<u>76,826</u>	<u>45,269</u>	<u>11,883</u>	<u>133,978</u>

The liquidity risk tables are based on the Company's intent to collect the assets or settle the liabilities in accordance with the contractual terms.

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.
- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analyses using prices from observable current market transactions.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements materially approximate their fair values.

15. ASSETS CLASSIFIED AS HELD FOR SALE

Based on current market conditions and future outlook, the Company has classified certain property, plant and equipment assets in the amount of \$0.4 million as held for sale as at 31 December 2020 (31 December 2019: \$0.0 million). These assets consist primarily of excess rigs and ancillary equipment. The opportunity for a gain by the disposition of these targeted assets allows the Company to rationalise its assets, raise capital and eliminate ongoing costs associated with maintaining these assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16. IMPAIRMENT OF ASSETS

The Company's property, plant and equipment and other non-current assets, including goodwill and intangible assets, are reviewed at each reporting date to determine whether there is an indication of potential impairment.

During the half-year period ended 30 June 2020, the Company identified the global economic impact of COVID-19 as a potential indicator of impairment. Accordingly, an impairment risk assessment was performed for the Company's Cash Generating Units ("CGU") at 30 June 2020. As a result of the impairment risk assessments and analyses, the Company recorded impairment charges of \$6.8 million against property, plant, and equipment in the Latin America Drilling Services CGU and recognised these impairment charges in other expenses as of 30 June 2020. The impairment charges recorded at 30 June 2020 continue to be recognised in other expenses as of 31 December 2020.

Impairment by cash-generating units

Goodwill and intangible assets in the EMEA, Latin America and Asia Pacific Drilling Services CGUs have been fully impaired. For the North America Drilling Services CGU and Geological Data Services CGU, the Company performed a goodwill impairment test as at 31 December 2020. The recoverable amount of the North America Drilling Services CGU exceeded its carrying amount by approximately 17.6% resulting in no impairment to the North America Drilling Services CGU for the year ended 31 December 2020. The recoverable amount for the Geological Data Services CGU exceeded the carrying amount by over 100% resulting in no impairment to the Geological Data Services CGU. Consequently, no goodwill impairments were recorded for the year ended 31 December 2020 and 2019.

In addition to testing the North America Drilling Services CGU and the Geological Data Services CGU, the Company performed an additional year-end impairment analysis on the Latin America Drilling Services CGU due to the ongoing negative impacts of COVID-19 in that region. The recoverable amount of the Latin America Drilling Services CGU exceeded its carrying amount by approximately 1.5% resulting in no additional impairment to the Latin America Drilling Services CGU for the year ended 31 December 2020. The key assumptions considered in these value-in-use models are included below.

Revenue growth rate. In determining the growth rates applied to revenue through the mining cycle, management considered the following taking into account the best available information given the current uncertain economic environment:

- Average revenue growth over previous mining cycles;
- Rates of inflation in the countries where the Company does business; and
- Price and volume expectations over the forecast period.

Discount rate and terminal growth rate. The Company used a post-tax discount rate of 14.1% for Latin America Drilling Services and 10.8% for North America Drilling Services. These rates reflect an underlying global discount rate of 11.5% adjusted for regional variations in the required equity rate of return. The terminal growth rate of 2.5% and 3.0% in North America and South America, respectively, does not exceed the long-term average growth rate for the industry in these regions.

Expenses. In determining gross margin and SG&A expenses, management has considered the impacts of recent programs and other initiatives already taken within the business and similar future initiatives to reduce operational costs. The recoverable value assessment of the Latin America and North America Drilling Services CGUs is based on gross margin increasing as a result of the reduction in costs and improved market conditions.

Working capital and capital expenditures. Working capital and capital expenditure assumptions are in line with historic trends given the level of utilisation and operating activity.

Other economic factors. As part of the impairment test, management considered several different scenarios that consider the impact on the value-in-use calculations if key assumptions were to vary from those used in the calculations. These change scenarios assessed the impact of a 20.0% decrease to revenue, a 10.0% increase to SG&A expense, a 2.0% reduction to gross margin and a 1.0% reduction to terminal growth rate assumptions. The recoverable amount of the North America Drilling Services CGU exceeds its carrying value under the 10.0% increase in SG&A expense and 1.0% reduction to terminal growth rate scenarios; however, an impairment would be triggered under the 20.0% decrease to revenue and 2.0% reduction to gross margin scenarios. In the Latin America Drilling Services CGU, the carrying value of the CGU exceeds the recoverable amount under all change scenarios and each scenario would result in a further impairment of the CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16. IMPAIRMENT OF ASSETS (CONTINUED)

Each of the change scenarios tested assumes that a specific assumption moves in isolation while all other assumptions are held constant. A change in one of the aforementioned assumptions could be accompanied by a change in another assumption which may increase or decrease the net impact on the calculation.

17. PROPERTY, PLANT AND EQUIPMENT

The Company's assets are held in various differing geographical, political and physical environments across the world, therefore, the estimation of useful lives of assets is an area of judgment. Our current estimate has been based on historical experience. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset, including the costs of materials and direct labour and other costs directly attributable to bringing the asset to a working condition for the intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets.

Subsequent costs related to previously capitalised assets are capitalised only when it is probable that they will result in commensurate future economic benefit and the costs can be reliably measured. All other costs, including repairs and maintenance, are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leasehold improvement assets are depreciated over the shorter of the lease terms or their useful lives. Items in the course of construction or not yet in service are not depreciated.

The following useful lives are used in the calculation of depreciation:

Buildings	20 - 40	years
Plant and machinery	5 - 10	years
Drilling rigs	5 - 12	years
Other drilling equipment	1 - 5	years
Office equipment	5 - 10	years
Computer equipment:		
Hardware	3 - 5	years
Software	1 - 7	years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings US\$'000	Plant and Equipment US\$'000	Right of Use Assets US\$'000	Construction in Progress US\$'000	Total US\$'000
Balance at 1 January 2019	49,041	649,408	-	9,341	707,790
Additions	-	2,921	14,042	45,773	62,736
Adoption of AASB 16	-	-	26,483	-	26,483
Disposal	(31)	(32,176)	(785)	-	(32,992)
Asset Classification Transfer	(57)	(6,171)	6,228	-	-
Transfer from CIP	1,280	31,741	-	(33,021)	-
Currency movements	364	(3,402)	264	1,232	(1,542)
Balance at 31 December 2019	50,597	642,321	46,232	23,325	762,475
Additions	-	1,207	7,118	23,734	32,059
Disposal	(5,908)	(41,220)	(23)	(376)	(47,527)
Asset Classification Transfer	1,135	1,843	(2,978)	-	-
Transfer from CIP	336	32,941	-	(33,277)	-
Currency movements	1,261	14,706	1,521	2,437	19,925
Balance at 31 December 2020	47,421	651,798	51,870	15,843	766,932
Accumulated depreciation and impairment:					
Balance at 1 January 2019	(27,461)	(566,231)	-	-	(593,692)
Depreciation	(2,065)	(23,424)	(9,275)	-	(34,764)
Impairment	-	(210)	-	-	(210)
Disposal	31	29,656	282	-	29,969
Asset Classification Transfer	259	-	(259)	-	-
Currency movements	(391)	3,025	(1,375)	-	1,259
Balance at 31 December 2019	(29,627)	(557,184)	(10,627)	-	(597,438)
Depreciation	(2,672)	(25,635)	(9,284)	-	(37,591)
Impairment	(779)	(5,518)	(1,645)	(376)	(8,318)
Disposal	5,735	37,775	60	376	43,946
Asset Classification Transfer	(961)	(978)	1,939	-	-
Currency movements	(803)	(14,332)	(423)	-	(15,558)
Balance at 31 December 2020	(29,107)	(565,872)	(19,980)	-	(614,959)
Net book value at 31 December 2019	20,970	85,137	35,605	23,325	165,037
Net book value at 31 December 2020	18,314	85,926	31,890	15,843	151,973

Property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. Assets are first considered individually to determine whether there is any impairment related to specific assets due to factors such as technical obsolescence, declining market value, physical condition or salability within a reasonable timeframe. The revised carrying values are then included in the assessment of the recoverable value of the relevant cash generating unit to which the property, plant, and equipment relates. As a result of this exercise, the Company recorded an impairment loss as at 31 December 2020 and 31 December 2019 of \$1.5 million and \$0.2 million, respectively, on property, plant, and equipment. In addition, the Company recorded a \$6.8 million impairment charge to property, plant, and equipment in the Latin America Drilling Services CGU as disclosed in Note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18. GOODWILL

Goodwill resulting from business combinations is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the carrying value of the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Upon disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill, intangible assets and property, plant and equipment

The Company determines whether goodwill is impaired on an annual basis and assesses impairment of all other assets at each reporting date by evaluating whether indicators of impairment exist. This evaluation includes consideration of the market conditions specific to the industry in which the group operates, the increase, or decline in demand for our drilling services and rig utilisation rates, the political environment in countries in which the group operates, technological changes, expectations in relation to future cash flows and the Company's market capitalisation. Where an indication of impairment exists the recoverable amount of the asset is determined. Recoverable amount is the greater of fair value less costs to sell and value in use. Impairment is considered for individual assets, or Cash Generating Units. Judgments are made in determining appropriate cash generating units. When considering whether impairments exist at a CGU, the Company uses the value in use methodology.

The value in use calculation requires the Company to estimate the future cash flows expected to arise from a cash-generating unit and a suitable discount rate in order to calculate present value. These estimates are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets.

Goodwill

	<u>US\$'000</u>
Gross carrying amount:	
Balance at 1 January 2019	103,859
Currency movements	599
Balance at 31 December 2019	<u>104,458</u>
Balance at 1 January 2020	104,458
Currency movements	657
Balance at 31 December 2020	<u>105,115</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18. GOODWILL (CONTINUED)

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to individual cash-generating units. The carrying amount of goodwill by geographic segment allocated to cash-generating units that are significant individually or in aggregate is as follows:

Goodwill by cash-generating units

	2020	2019
	US\$'000	US\$'000
North America Drilling Services	100,862	100,549
Geological Data Services ("GDS")	4,253	3,909
Total Goodwill	<u>105,115</u>	<u>104,458</u>

The carrying amount of goodwill is tested for impairment annually at 31 December and whenever there is an indicator that the asset may be impaired. If goodwill is impaired, it is written down to its recoverable amount. See Note 16.

19. OTHER INTANGIBLE ASSETS

Trademarks and trade names

Trademarks and trade names recognised by the Company that are considered to have indefinite useful lives are not amortised. Each period, the useful life of each of these assets is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Trademarks and trade names that are considered to have a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Such assets are tested for impairment at least annually or more frequently if events or circumstances indicate that the asset might be impaired.

Contractual customer relationships

Contractual customer relationships acquired in business combinations are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be reliably measured. Contractual customer relationships have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses.

Contractual customer relationships are amortised over 15 years on a straight-line basis. Amortisation methods and useful lives are reassessed at each reporting date.

Patents

Patents are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over estimated useful lives of 2 to 20 years. Amortisation methods and useful lives are reassessed at each reporting date.

Research and development costs

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development costs are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Capitalised costs include the cost of materials, direct labour and overhead costs directly attributable to preparing the asset for its intended use. Other development costs are expensed when incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives, which on average is 15 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19. OTHER INTANGIBLE ASSETS (CONTINUED)

	Trademarks US\$'000	Patents US\$'000	Customer relationships and other US\$'000	Software US\$'000	Develop- ment assets US\$'000	Total US\$'000
Gross carrying amount:						
Balance at 1 January 2019	3,088	9,206	40,754	89,100	55,208	197,356
Additions	-	726	-	375	2,524	3,625
Disposals	(1,140)	(1)	-	-	(12,486)	(13,627)
Currency movements	(1)	(3)	109	2	(184)	(77)
Balance at 31 December 2019	1,947	9,928	40,863	89,477	45,062	187,277
Balance at 1 January 2019	1,947	9,928	40,863	89,477	45,062	187,277
Additions	-	748	-	66	6,207	7,021
Disposals	-	(143)	-	(323)	-	(466)
Currency movements	-	30	1,505	17	1,583	3,135
Balance at 31 December 2020	1,947	10,563	42,368	89,237	52,852	196,967
Accumulated amortisation:						
Balance at 1 January 2019	-	(2,372)	(36,018)	(88,092)	(33,111)	(159,593)
Amortisation for the period	-	(1,036)	(1,019)	(532)	(1,997)	(4,584)
Disposals	1,140	-	-	-	12,490	13,630
Impairment for the period	(1,140)	(2,479)	-	-	(5,332)	(8,951)
Currency movements	-	-	(108)	(4)	(33)	(145)
Balance at 31 December 2019	-	(5,887)	(37,145)	(88,628)	(27,983)	(159,643)
Balance at 1 January 2019	-	(5,887)	(37,145)	(88,628)	(27,983)	(159,643)
Amortisation for the period	-	(415)	(1,019)	(384)	(1,555)	(3,373)
Disposals	-	-	-	323	17	340
Impairment for the period	-	(387)	-	-	(120)	(507)
Currency movements	-	-	(1,502)	(17)	(699)	(2,218)
Balance at 31 December 2020	-	(6,689)	(39,666)	(88,706)	(30,340)	(165,401)
Net book value at 31 December 2019	1,947	4,041	3,718	849	17,079	27,634
Net book value at 31 December 2020	1,947	3,874	2,702	531	22,512	31,566

Other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. As a result of the Company's review of specific intangible assets, the Company recorded an impairment loss as at 31 December 2020 and 31 December 2019 on trademarks, patents and development assets of \$0.5 million and \$9.0 million, respectively.

The Company recognised \$6.6 million of research and development expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 (2019: \$8.1 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20. TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost. They represent unsecured liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obligated to make future payments.

	2020	2019
	US\$'000	US\$'000
Current		
Trade payables	59,412	65,177
Accrued payroll and benefits	21,387	23,655
Goods and services tax payable	7,446	4,457
Accrued interest	245	420
Accrued legal and environmental ¹	637	6,339
Professional fees	3,100	3,242
Accrued drilling costs	2,502	2,538
Other sundry payables and accruals	3,286	5,295
	<u>98,015</u>	<u>111,123</u>

(1) Accrued legal and environmental costs of \$5.3 million as at 31 December 2020 were reclassified from Trade and Other Payables to Provisions. See Note 22.

No interest is charged on the trade payables for this period. Thereafter, various percentages of interest may be charged on the outstanding balance based on the terms of the specific contracts. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21. LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Debt issuance costs are amortised using the effective interest rate method over the life of the borrowing. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	2020 US\$'000	2019 US\$'000 (Restated ¹)
Unsecured - at amortised cost		
<i>Non-current</i>		
Senior notes	88,882	88,882
Accreted interest	4,547	3,159
Secured - at amortised cost		
<i>Current</i>		
Lease liabilities	9,372	8,328
Equipment finance	863	-
<i>Non-current</i>		
Senior notes	217,035	217,035
Term loans	292,441	292,441
Accreted interest	125,600	68,240
Debt modification ²	11,786	-
Applicable premium	31,148	17,403
Revolver bank loans	67,929	79,904
Debt issuance costs	(835)	(1,605)
Original issue discount	-	(400)
Lease liabilities	27,249	28,329
Equipment finance	2,549	-
	<u>878,566</u>	<u>801,716</u>
Disclosed in the financial statements as:		
Current borrowings	10,235	8,328
Non-current borrowings	868,331	793,388
	<u>878,566</u>	<u>801,716</u>
A summary of the maturity of the Company's borrowings is as follows:		
Less than 1 year	10,236	8,328
Between 1 and 2 years	848,111	6,897
Between 2 and 3 years	7,142	772,447
Between 3 and 4 years	5,213	4,436
More than 4 years	8,699	11,613
	<u>879,401</u>	<u>803,721</u>
Original issue discount	-	(400)
Debt issuance costs	(835)	(1,605)
	<u>878,566</u>	<u>801,716</u>

(1) The comparative information has been restated as a result of additional accreted interest recorded on the Senior Secured Notes as discussed in Note 1.

(2) Debt modification relates to the amendment to the Senior Secured Notes during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21. LOANS AND BORROWINGS (CONTINUED)

Senior notes

Senior Unsecured Notes

The Company has \$88.9 million of senior unsecured notes outstanding as at 31 December 2020 and 2019. These notes carry an interest rate of 1.5%, per annum, which is payable-in-kind (i.e. non-cash) until maturity in December 2022. The Company may redeem all or a portion of the notes prior to maturity subject to certain conditions, including in certain cases the payment of premiums or make-whole amounts.

Senior Secured Notes

The Company has \$217.0 million of senior secured notes outstanding as at 31 December 2020 and 2019. These notes carried an interest rate of 12% per annum which was payable-in-kind until 31 December 2018 and thereafter in cash at the reduced interest rate of 10% per annum with a scheduled maturity date of December 2022. The Company may redeem all or a portion of the notes prior to maturity subject to certain conditions, including in certain cases the payment of premiums or make-whole amounts.

On 19 June 2020 the Company received consent from the holders of the Senior Secured Notes and also received the ASX relief necessary to implement amendments to satisfy the interest payments due in respect of the notes on 30 June 2020 and 31 December 2020 by way of payment in-kind rather than by payment of cash (PIK Notes). As a result of these amendments, the Company recorded a modification loss of \$11.8 million within finance costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020 with an offsetting increase to loans and borrowings in the Condensed Consolidated Statement of Financial Position as of 31 December 2020. These amendments were treated as a modification as the difference between the net present value of the cash flows under the amended Senior Secured Notes compared to the net present value of the cash flows under the original terms of the Senior Secured Notes was not considered "substantial" as defined by AASB 9 *Financial Instruments*. The debt modification loss, recorded to comply with AASB 9, is an adjustment to the amortised cost of the Senior Secured Notes. The adjustment equals the difference between the present value of the cash flows under the original terms and the most recent modified terms, discounted at the original effective interest rate.

The current rate of interest applicable in respect of the notes is 10%. The interest entitlement for those noteholders who agree to take interest by way of PIK Notes was 12% and 14.5% for 30 June 2020 and 31 December 2020, respectively. Non-consenting Senior Secured Note holders will continue to receive interest in cash at the stated rate of 10% per annum.

The Senior Secured Notes include a premium, payable at the maturity of the notes due December 2022 (as well as in certain circumstances if the Senior Secured Notes are redeemed prior to maturity). The premium is expressed as a percentage of the principal redeemed or repaid and includes PIK Interest. The premium percentage increases over time from 0.9% to 24.4% of the principal balance, depending on the timing of repayment. Together, the debt modification, stated terms, and the applicable premium result in an effective interest rate on the Senior Secured Notes of 14.4% per annum.

With respect to the senior notes issued by the Company, the indenture governing those senior notes includes covenants that restrict the Company's ability to engage in certain activities, including incurring additional indebtedness and making certain restricted payments as well as a limitation on the amount of secured debt the Company may incur. The senior notes contain certain provisions that provide the note holders with the ability to declare a default, and accelerate the notes, should a default occur under either of the Term Loans that results in acceleration of such Term Loans. The senior notes do not require maintenance or testing of financial covenant ratios.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21. LOANS AND BORROWINGS (CONTINUED)

Revolver Bank Loans

ABL

The Company has an asset-based revolver bank loan with an available facility of \$75.0 million of which \$23.0 million was drawn as at 31 December 2020 (\$34.9 at 31 December 2019).

ABL	2020 US\$m	2019 US\$m
Available facility	75.0	75.0
Drawn	23.0	34.9
Letters of credit	5.8	5.6
Availability block	10.0	10.0
Borrowing base adjustment	10.0	-
Minimum liquidity	8.3	-
Undrawn	17.9	24.5
	<u>75.0</u>	<u>75.0</u>

As at 31 December 2020, \$5.8 million (31 December 2019: \$5.6 million) of outstanding letters of credit were drawn under the facility. Interest on drawn amounts and letters of credit are based on a base rate plus margin (30-day USD LIBOR plus 3.5%).

The facility has an “availability block” of \$10.0 million that will release when the business reaches certain Net Debt/EBITDA leverage ratios. Borrowing on this facility is also limited to the lower of the Lender’s commitment or the borrowing base that supports the Asset Based Loan. This “borrowing base” is made up of eligible receivables and inventory. As of 31 December 2020, the borrowing base was \$55.0 million which reduced collateral availability by \$10.0 million.

The asset-based revolver bank loan also includes a “Springing Dominion”/Minimum liquidity covenant that requires the Company to maintain on the last day of any month 15% of the lesser of “borrowing base” or “facility capacity” less the “availability block” (\$8.3 million at 31 December 2020). If a trigger event occurs the agent can provide an activation notice that will allow them to access all funds deposited into “Blocked Bank Accounts.” These funds will become the property of the agent and will be applied to outstanding advances.

The facility is secured by a first lien on the accounts receivable, inventories, deposit accounts and cash (“working capital assets”) of the ABL borrower and guarantors, and a third lien over substantially all of the other tangible and intangible assets (“non-working capital assets”) of the ABL borrower and guarantors, including equipment, intellectual property and the capital stock of subsidiaries (but excluding real property).

Scheduled maturity date of the facility is July 2022. As at 31 December 2020 the Company was in compliance with all of its debt covenants.

Backstop ABL

The term loan facility has an interest rate of 11% per annum payable-in kind or 10% per annum payable in cash at the option of the borrower. It is secured by substantially the same collateral as the ABL credit facility and contains a maturity of October 2022. As at 31 December 2020 and 2019, the amount outstanding under this facility was \$45.0 million.

As at 31 December 2020, the Company was in compliance with all of its debt covenants (see page 86).

Term Loans

The Company has a term loan facility which is structured as Tranche A and Tranche B loans. As part of the Recapitalisation in September 2017, the Company restructured its Term Loans. Interest on Term Loans A and B was reduced from 12% to 10% payable-in-kind through to December 2018 and 8% payable-in-kind thereafter. Maturity was extended until December 2022. The term loan tranches are structured to accrete interest, which is payable to the term loan lender, Centerbridge Partners, L.P., a related party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21. LOANS AND BORROWINGS (CONTINUED)

Since inception and until 31 December 2018, interest of \$47.6 million and \$34.8 million had accreted for Tranche A and Tranche B loans, respectively. On 31 December 2018, the issuer of these loans was changed from Boart Longyear Management Pty. Ltd. to BL Capital Management LLC and the accreted interest to 31 December 2018 was capitalised to the principal balance. No changes to interest rates or maturity dates were made.

Tranche A

As at 31 December 2020 and 2019, the amount outstanding was \$132.5 million, respectively. This tranche contains a maturity of December 2022 and is non-callable for the first 4 years. It is secured by a first lien on the Working Capital Assets of the Term Loan A guarantors that are not ABL guarantors, a second lien on the Working Capital assets of the Term Loan A issuer and the Term Loan A guarantors that are also ABL guarantors, and a second lien on substantially all of the Non-Working Capital Assets of the Term Loan A issuer and guarantors, including equipment, intellectual property, the capital stock of subsidiaries and certain owned real property.

Tranche B

As at 31 December 2020 and 2019, the amount outstanding under Tranche B was \$159.9 million, respectively. This tranche contains a maturity of December 2022 and is non-callable for the life of the loan. It is secured by a second lien on the Working Capital Assets of the Term Loan B and Senior Secured Notes guarantors that are not ABL guarantors, a third lien on the Working Capital Assets of the Term Loan B and Senior Secured Notes issuer and the Term Loan B and Senior Secured Notes guarantors that are also ABL guarantors, and a first lien on substantially all of the Non-Working Capital Assets of the Term Loan B and Senior Secured Notes issuer and guarantors, including equipment, intellectual property, the capital stock of subsidiaries and certain owned real property.

The Company's Term Loans, ABL, and Backstop ABL require that obligors under the term loans account for at least 60% of consolidated Group EBITDA and total Tangible Assets. This covenant is tested at each publicly released financial report.

The Group's position in relation to these metrics was as follows:

Metric	Target Range	2020	2019
% of Consolidated EBITDA	Equal or more than 60%	112%	71%
% of Consolidated Tangible Assets	Equal or more than 60%	67%	73%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21. LOANS AND BORROWINGS (CONTINUED)

Further details around the Issuer/Borrower and Guarantors of the Company's debt instruments are included below:

Description	Issuer/Borrower	Guarantors
Senior Secured Notes	Boart Longyear Management Pty Limited	<p><i>Australia:</i> Boart Longyear Australia Pty Limited, Boart Longyear Limited, Boart Longyear Investments Pty Limited and Votrait No. 1609 Pty Limited</p> <p><i>Canada:</i> Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd. and Longyear Canada, ULC</p> <p><i>Chile:</i> Boart Longyear Chile Limitada</p> <p><i>Peru:</i> Boart Longyear S.A.C.</p> <p><i>Switzerland:</i> Boart Longyear Suisse Sarl</p> <p><i>United States:</i> Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., Longyear Holdings, Inc., BLY IP Inc., BL Capital Management LLC, BLY US Holdings Inc. and Longyear TM, Inc.</p>
Senior Unsecured Notes	Boart Longyear Management Pty Limited	<p><i>Australia:</i> Boart Longyear Australia Pty Limited, Boart Longyear Limited, Boart Longyear Investments Pty Limited and Votrait No. 1609 Pty Limited</p> <p><i>Canada:</i> Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd. and Longyear Canada, ULC</p> <p><i>Chile:</i> Boart Longyear Chile Limitada</p> <p><i>Peru:</i> Boart Longyear S.A.C.</p> <p><i>Switzerland:</i> Boart Longyear Suisse Sarl</p> <p><i>United States:</i> Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., Longyear Holdings, Inc., BL Capital Management LLC, BLY US Holdings Inc. and Longyear TM, Inc.</p>
Term Loan A	BL Capital Management LLC	<p><i>Australia:</i> Boart Longyear Management Pty Limited, Boart Longyear Australia Pty Limited, Boart Longyear Limited, Boart Longyear Investments Pty Limited and Votrait No. 1609 Pty Limited</p> <p><i>Canada:</i> Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd. and Longyear Canada, ULC</p> <p><i>Chile:</i> Boart Longyear Chile Limitada</p> <p><i>Peru:</i> Boart Longyear S.A.C.</p> <p><i>Switzerland:</i> Boart Longyear Suisse Sarl</p> <p><i>United States:</i> Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., Longyear Holdings, Inc., BLY IP Inc., BLY US Holdings Inc. and Longyear TM, Inc.</p>
Term Loan B	BL Capital Management LLC	Same as Term Loan A
ABL	Boart Longyear Management Pty Limited	<p><i>Australia:</i> Boart Longyear Australia Pty Limited, Boart Longyear Limited, Boart Longyear Investments Pty Limited and Votrait No. 1609 Pty Limited</p> <p><i>Canada:</i> Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd. and Longyear Canada, ULC</p> <p><i>Chile:</i> Boart Longyear Chile Limitada</p> <p><i>Peru:</i> Boart Longyear S.A.C.</p> <p><i>Switzerland:</i> Boart Longyear Suisse Sarl</p> <p><i>United States:</i> Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., Longyear Holdings, Inc., BLY IP Inc., BL Capital Management LLC, BLY US Holdings Inc. and Longyear TM, Inc.</p>
Backstop ABL	Boart Longyear Management Pty Limited	Same as ABL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22. PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee benefits

Liabilities for employee benefits for wages, salaries, annual leave, long service leave, and sick leave represent present obligations resulting from employees' services provided and are calculated based on rates that the Company expects to pay as at the reporting date, including costs such as workers' compensation insurance and payroll tax, when it is probable that settlement will be required and they are capable of being reliably measured.

Liabilities recognised in respect of short-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are provided to the employees.

Provisions are recognised for amounts expected to be paid under short-term cash bonus or profit-sharing plans if the Company has present legal or constructive obligations to pay these amounts as a result of past service provided by employees and the obligations can be reliably estimated.

Warranties

The Company provides statutory product warranties through its contracts with customers and does not offer the option to purchase warranties separately.

The Company maintains warranty reserves for products it manufactures. A provision is recognised when the following conditions are met: (1) the Company has an obligation as a result of an implied or contractual warranty; (2) it is probable that an outflow of resources will be required to settle the warranty claims; and (3) the amount of the claims can be reliably estimated.

Legal contingencies

The Company has provided for certain legal contingencies to the extent they are probable to incur an outflow of economic benefits to require the settlement of related obligations. Legal contingencies of \$5.3 million are comprised of both legal and environmental costs, which were reclassified from Trade and Other Payables as at 31 December 2020. See Note 20.

The following table reflects the provision balances:

	2020 US\$'000	2019 US\$'000
Current		
Employee benefits	10,158	8,820
Restructuring and termination costs ¹	3,116	4,684
Warranty ²	592	933
	<u>13,866</u>	<u>14,437</u>
Non-current		
Employee benefits	534	403
Provision for legal contingencies	5,333	-
Pension and post-retirement benefits ³	6,331	10,349
Provision for tax contingencies	49,427	63,792
	<u>61,625</u>	<u>74,544</u>
	<u>75,491</u>	<u>88,981</u>

- (1) The provision for restructuring and termination costs represent the present value of management's best estimate of the costs directly and necessarily caused by the restructuring that are not associated with the ongoing activities of the entity, including termination benefits.
- (2) The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Company's warranty program.
- (3) Full actuarial valuations of the defined benefit pension and post-retirement benefit plans are performed annually by qualified independent actuaries for the Company's 31 December year-end closing. See Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22. PROVISIONS (CONTINUED)

The following table reflects the provision rollforwards:

	Warranty US\$'000	Restructuring and Termination US\$'000	Tax US\$'000
Balance at 1 January 2020	933	4,684	63,792
Additional provisions recognised	50	-	1,251
Reductions arising from payments	(382)	(42)	(1,800)
Reductions resulting from remeasurement	-	(650)	-
Amounts reclassified from tax receivables	-	-	(14,498)
Foreign exchange	(9)	(876)	682
Balance at 31 December 2020	<u>592</u>	<u>3,116</u>	<u>49,427</u>

23. PENSION AND POST-RETIREMENT BENEFITS

Defined contribution pension plans and post-retirement benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The amount recognised as an expense in profit or loss in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Defined contribution plans

Pension costs represent actual contributions paid or payable by the Company to the various plans. As at 31 December 2020 and 2019, there were no significant outstanding/prepaid contributions. Company contributions to these plans were \$9.9 million and \$9.0 million for the years ended 31 December 2020 and 2019, respectively.

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans is calculated on the basis of contributions payable by the Company during the fiscal year.

Defined benefit pension plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any fund assets is deducted.

The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Company's defined benefit obligations. The weighted-average maturity profile of the defined benefit obligations in North America was 11.0 years for both 2020 and 2019, and in Europe was 19.8 and 14.7 years for 2020 and 2019. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and related changes in actuarial assumptions are charged or credited to retained earnings.

The Company provides defined contribution and defined benefit pension plans for the majority of its employees. It also provides post-retirement medical arrangements in North America.

The Company's accounting policy for defined benefit pension plans requires management to make annual estimates and assumptions about future returns on classes of assets, future remuneration changes, employee attrition rates, administration costs, changes in benefits, inflation rates, exchange rates, life expectancy and expected remaining periods of service of employees. In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries. Where actual experience differs to these estimates, actuarial gains and losses are recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23. PENSION AND POST-RETIREMENT BENEFITS (CONTINUED)

Full actuarial valuations of the defined benefit pension plans were performed as at various dates and updated to 31 December 2020 by qualified independent actuaries. The estimated market value of the assets of the funded pension plans was \$173.3 million and \$207.9 million as at 31 December 2020, and 2019, respectively. The market value of assets was used to determine the funding level of the plans. The market value of the assets of the funded plans was sufficient to cover 90% in 2020 and 2019 of the benefits that had accrued to participants after allowing for expected increases in future earnings and pensions. Entities within the Company are paying contributions as required by statutory requirements and in accordance with local actuarial advice.

The majority of the defined benefit pension plans are funded in accordance with minimum funding requirements by local regulators. The assets of these plans are held separately from those of the Company, in independently administered funds, in accordance with statutory requirements or local practice throughout the world.

The majority of the defined benefit pension plans are closed to new participants. Under the projected unit credit method, service cost will increase as the participant ages until retirement when it goes to zero. In addition, changes to the discount rate can increase or decrease service cost.

Company contributions to these plans were \$3.0 million and \$2.7 million during the years ended 31 December 2020 and 2019, respectively. Contributions in 2021 are expected to be \$2.4 million.

The principal assumptions used to determine the actuarial present value of benefit obligations and pension costs are detailed below (shown in weighted averages):

	2020		2019	
	North America	Europe	North America	Europe
Discount rates	2.5%	1.0%	3.3%	0.4%
<u>Expected Average Rate Increases:</u>				
Salaries	3.5%	3.0%	3.5%	3.0%
Pensions in payment	-	1.5%	-	1.5%
Healthcare costs (initial)	5.0%	-	5.0%	-
Healthcare costs (ultimate)	5.0%	-	5.0%	-

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	2020			2019		
	Pension Plan US\$'000	Post-retirement medical Plan US\$'000	Total US\$'000	Pension Plan US\$'000	Post-retirement medical Plan US\$'000	Total US\$'000
Current service cost	1,014	-	1,014	1,088	-	1,088
Net interest expense	351	9	360	415	11	426
Total charge to profit and loss account	1,365	9	1,374	1,503	11	1,514

For the financial years ended 31 December 2020 and 2019, charges of approximately \$1.1 million and \$1.3 million, respectively, have been included in cost of goods sold and the remainder in general and administrative or sales and marketing expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23. PENSION AND POST-RETIREMENT BENEFITS (CONTINUED)

Changes in the present value of the defined benefit obligations were as follows:

	2020			2019		
	Post-		Total	Post-		Total
	Pension Plan	retirement Medical Plan		Pension Plan	retirement Medical Plan	
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Opening defined benefit obligation	217,974	321	218,295	201,885	339	202,224
Current service cost	1,014	-	1,014	1,088	-	1,088
Interest cost	5,273	9	5,282	6,363	11	6,374
Actuarial (gains) losses arising from demographic assumptions	(624)	-	(624)	168	-	168
Actuarial losses arising from financial assumptions	10,362	11	10,373	18,285	11	18,296
Assets distributed on settlements	(48,109)	-	(48,109)	-	-	-
Exchange differences on foreign plans	4,923	12	4,935	2,110	14	2,124
Benefits paid	(11,442)	(50)	(11,492)	(11,925)	(54)	(11,979)
Closing defined benefit obligation	179,371	303	179,674	217,974	321	218,295

Changes in the fair value of the plan assets were as follows:

	2020			2019		
	Post-		Total	Post-		Total
	Pension Plan	retirement Medical Plan		Pension Plan	retirement Medical Plan	
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Opening fair value plan of assets	207,946	-	207,946	193,542	-	193,542
Expected return on plan assets	5,038	-	5,038	6,032	-	6,032
Actuarial gains arising from financial assumptions	13,275	-	13,275	16,601	-	16,601
Administrative expenses paid from the trust	(1,310)	-	(1,310)	(1,215)	-	(1,215)
Exchange differences on foreign plans	4,887	-	4,887	2,261	-	2,261
Contributions from the employer	2,916	50	2,966	2,650	54	2,704
Distribution of assets from settled plan	(47,967)	-	(47,967)	-	-	-
Benefits paid	(11,442)	(50)	(11,492)	(11,925)	(54)	(11,979)
Closing fair value of plan assets	173,343	-	173,343	207,946	-	207,946

Assumed healthcare cost trend rates impact the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	2020	2019
	US\$'000	US\$'000
<i>One percentage point increase</i>		
Effect on the aggregate of the service cost and interest cost	-	-
Effect on accumulated post-employment benefit obligation	3	2
<i>One percentage point decrease</i>		
Effect on the aggregate of the service cost and interest cost	-	-
Effect on accumulated post-employment benefit obligation	(3)	(2)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25. DIVIDENDS

No dividend has been determined for 31 December 2020 or 31 December 2019. There are no franking credits available for the years ended 31 December 2020 or 2019.

26. COMMITMENTS FOR EXPENDITURE

The Company has the following continuing operational and financial commitments in the normal course of business:

	2020 US\$'000	2019 US\$'000
Capital commitments		
Purchase commitments for capital expenditures	5,485	3,531
Lease commitment for short-term and low-value leases	8,525	10,574

27. LEASE COMMITMENTS

The Company has various lease agreements in place for facilities and equipment. The terms of the leases include periods of free rent, options for the Company to extend the lease, and increasing rental rates over time, and vary by lease. These lease obligations expire at various dates through 2030. When the rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate based on information available at the commencement date of the lease to determine the present value of the lease payments.

As at 31 December 2020, the Company has ROU assets with a net book value of \$31.9 million and corresponding lease liabilities of \$36.6 million compared to \$35.6 million and \$36.6 million as at 31 December 2019.

Payments for low-value and short-term leases are presented in the Consolidated Statement of Profit and Loss within expenses contributing to Operating profit (loss). Payments for low-value and short-term leases as at 31 December 2020 totaled \$9.0 million compared to \$8.4 million as at 31 December 2019.

ROU assets and depreciation by asset type are as follows:

	Land and Buildings US\$'000	Plant and Equipment US\$'000	Total US\$'000
Balance at 31 December 2019			
Leased Asset Cost	29,516	16,716	46,232
Leased Asset Accumulated Depreciation	(5,363)	(5,264)	(10,627)
Net book value at 31 December 2019	24,153	11,452	35,605
Balance at 31 December 2020			
Leased Asset Cost	32,412	19,458	51,870
Leased Asset Accumulated Depreciation	(10,198)	(9,782)	(19,980)
Net book value at 31 December 2020	22,214	9,676	31,890
2019 Depreciation Expense	5,474	3,801	9,275
2020 Depreciation Expense	5,055	4,229	9,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

28. CONTINGENT LIABILITIES

The recognition of provisions for legal disputes is subject to a significant degree of judgment. Provisions are established when (a) the Company has a present legal or constructive obligation as a result of past events, (b) it is probable that an outflow of resources will be required to settle the obligation, and (c) the amount of that outflow has been reliably estimated. Balances for legal provisions are disclosed in Note 22.

Letters of credit

Standby letters of credit primarily issued in support of commitments or other obligations as at 31 December 2020 are as follows:

<u>Subsidiary</u>	<u>Purpose</u>	<u>Expiration Date</u>	<u>Amount US \$'000</u>
Australia	Secure a facility rental	August 2021	526
Australia	Secure a facility rental	September 2021	474
Australia	Secure a facility rental	October 2021	61
Australia	Secure credit facility	April 2021	294
United States	Secure DS bonding program	January 2021	2,670
United States	Secure insurance program	August 2021	1,743
			<u>5,768</u>

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision or the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies described in Note 3.

A summary of the maturity of issued letters of credit is as follows:

	<u>2020 US\$'000</u>	<u>2019 US\$'000</u>
Less than 1 year	5,768	5,348
1 to 3 years	-	271
	<u>5,768</u>	<u>5,619</u>

Guarantees

The subsidiaries of the Company provide guarantees within the normal course of business which includes payment guarantees to cover import duties, taxes, performance and completion of contracts. In addition, the Parent and certain subsidiaries are guarantors on the Company's loans and borrowings. See Note 21.

Legal contingencies

The Company is subject to certain routine legal proceedings that arise in the normal course of its business. Management believes that the ultimate amount of liability, if any, for any pending claims of any type (either alone or combined) will not materially affect the Company's operations, liquidity, or financial position taken as a whole. However, the ultimate outcome of any litigation is uncertain, and unfavourable outcomes could have a material adverse impact.

Tax and customs audits

The Company is subject to certain tax and customs audits that arise in the normal course of its business. Management believes that the ultimate amount of liability, if any, for any pending assessments (either alone or combined) would not materially affect the Company's operations, liquidity, or financial position taken as a whole. However, the ultimate outcome of these audits is uncertain and unfavourable outcomes could have a material adverse impact. See additional disclosure in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

28. CONTINGENT LIABILITIES (CONTINUED)

Other contingencies

Other contingent liabilities as at 31 December 2020 and 2019 consist of the following:

	<u>2020</u> <u>US\$'000</u>	<u>2019</u> <u>US\$'000</u>
Contingent liabilities		
Guarantees/counter-guarantees to outside parties	12,272	7,035

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained. See Note 14.

	<u>Maximum credit risk</u>	
	<u>2020</u> <u>US\$'000</u>	<u>2019</u> <u>US\$'000</u>
Financial assets and other credit exposure		
Performance guarantees provided, including letters of credit	18,040	12,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. DEED OF CROSS GUARANTEE

Boart Longyear Limited, Votrant No. 1609 Pty Ltd, Boart Longyear Investments Pty Ltd. and Boart Longyear Management Pty Limited are parties to a deed of cross guarantee ('the Deed') under which each company guarantees the debts of the other. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The above companies represent a "closed group" for the purpose of the Class Order, and as there are no other parties to the Deed that are controlled by Boart Longyear Limited, they also represent the "extended closed group".

Set out below is a consolidated statement of financial performance, a consolidated statement of comprehensive income, a consolidated statement of financial position and a summary of movements in consolidated retained earnings for the years ended 31 December 2020 and 31 December 2019 of the closed group.

a) Consolidated statement of comprehensive income

	2020	2019
	US\$'000	US\$'000
Other income	-	169,193
General and administrative expenses	(3,359)	(3,455)
Restructuring expenses and related impairments	41,984	38,349
Other expenses	(61,138)	(11,060)
Operating (loss) profit	(22,513)	193,027
Interest income	296	4,083
Finance costs	(80,740)	(48,011)
(Loss) profit before taxation	(102,957)	149,099
Income tax benefit (expense)	659	(42,069)
(Loss) profit for the year from continuing operations	(102,298)	107,030
(Loss) profit for the year	(102,298)	107,030
	2020	2019
	US\$'000	US\$'000
Other comprehensive (loss) income		
(Loss) profit for the year attributable to equity holders of the parent	(102,298)	107,030
Dividends received from related parties	-	55,321
Other comprehensive loss for the year (net of tax)	-	55,321
Total comprehensive (loss) income for the year	(102,298)	162,351

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. DEED OF CROSS GUARANTEE (CONTINUED)

b) Consolidated statement of financial position

	2020 US\$'000	2019 US\$'000
Current assets		
Cash and cash equivalents	395	433
Trade and other receivables	2,936	3,088
Prepaid expenses and other assets	137	115
Other Current Assets	-	4,135
Total current assets	3,468	7,771
Non-current assets		
Loans to related parties	61,382	55,042
Investment in subsidiaries	493,815	456,973
Other assets	69	63
Total non-current assets	555,266	512,078
Total assets	558,734	519,849
Current liabilities		
Trade and other payables	2,963	1,512
Provisions	516	1,253
Other financial liabilities	1,082	527
Total current liabilities	4,561	3,292
Non-current liabilities		
Loans from related parties	214,008	164,751
Loans and borrowings	512,613	448,387
Provisions	213	213
Total non-current liabilities	726,834	613,351
Total liabilities	731,395	616,643
Net liabilities	(172,661)	(96,794)
Equity		
Issued capital	3,219,853	3,219,236
Other equity	491,631	465,817
Retained earnings	(3,884,145)	(3,781,847)
Total equity	(172,661)	(96,794)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30. PARENT ENTITY DISCLOSURES

Financial position

	2020 US\$'000	2019 US\$'000
Assets		
Current assets ¹	143	6,623
Non-current assets ¹	466,655	459,103
Total assets	<u>466,798</u>	<u>465,726</u>
Liabilities		
Current liabilities ¹	1,009	56,065
Non-current liabilities ¹	358,356	291,291
Total liabilities	<u>359,365</u>	<u>347,356</u>
Net Assets	<u>107,433</u>	<u>118,370</u>
Equity		
Issued capital	3,219,853	3,219,236
Reserves	10,663	9,452
Accumulated losses	(3,123,083)	(3,110,318)
Total equity	<u>107,433</u>	<u>118,370</u>

(1) In 2020, the tax payables and receivables included in current assets and current liabilities for 2019 have been classified as non-current assets and liabilities for 2020.

Financial performance

	2020 US\$'000	2019 US\$'000
(Loss) profit for the year	(12,765)	60,232
Total comprehensive loss	<u>(12,765)</u>	<u>60,232</u>

Guarantees entered into by the parent entity in relation to debts of its subsidiaries

Other guarantees are described in Note 28.

Contractual obligations

As at 31 December 2020 and 2019, Boart Longyear Limited did not have any contractual obligations.

Guarantees entered into by the parent entity in relation to debts of its subsidiaries

The Parent has entered into agreements with the Canada Revenue Agency and Ministry of Finance for the province of Ontario to guarantee the payment of all amounts finally determined to be due and payable by its Canadian affiliates in respect of contested tax assessments for the tax years from 2007 through 2012. See Note 10. Other guarantees are described in Note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31. COMPANY SUBSIDIARIES

The Company's percentage ownership of the principal subsidiaries are as follows:

Subsidiaries	Country of incorporation	Business	31 Dec 2020	31 Dec 2019
BL Capital Management LLC	USA	Holding Company	100	100
BL DDL Holdings Pty Ltd ¹	Australia	Dormant	-	100
BL Group Holdings Inc.	Cayman Island	Holding Company	100	100
BLI Zambia Ltd.	Zambia	Drilling Services	100	100
BLY Canada Inc. ³	Canada	Holding Company	100	-
BLY Cote d'Ivoire S.A.	Ivory Coast	Drilling Services	100	100
BLY Drilling Services and Products Mexico, S.A. de C.V. ²	Mexico	Dormant	100	100
BLY EMEA UK Holdings Ltd.	United Kingdom	Holding Company	100	100
BLY Gabon S.A.	Gabon	Drilling Services	100	100
BLY Ghana Limited	Ghana	Drilling Services	100	100
BLY Guinea S.A. ²	Guinea	Dormant	100	100
BLY IP Inc.	USA	Holding Company	100	100
BLY Madagascar S.A. ²	Madagascar	Dormant	100	100
BLY Mali S.A.	Mali	Drilling Services	100	100
BLY Senegal S.A.	Senegal	Drilling Services	100	100
BLY Sierra Leone Ltd.	Sierra Leone	Drilling Services	100	100
BLY US Holdings Inc.	USA	Holding Company	100	100
Boart Longyear (Cambodia) Ltd. ²	Cambodia	Dormant	100	100
Boart Longyear (DRC) S.A.	Dem. Rep. of Congo	Drilling Services	100	100
Boart Longyear (NZ) Limited	New Zealand	Drilling Services	100	100
Boart Longyear (Vic) No. 1 Pty Ltd	Australia	Dormant	100	100
Boart Longyear (Vic) No. 2 Pty Ltd	Australia	Dormant	100	100
Boart Longyear Alberta Limited	Canada	Holding Company	100	100
Boart Longyear Argentina S.A.	Argentina	Drilling Services	100	100
Boart Longyear Australia Holdings Pty Limited ¹	Australia	Dormant	-	100
Boart Longyear Australia Pty Ltd	Australia	Drilling Services	100	100
Boart Longyear B.V.	Netherlands	Drilling Products	100	100
Boart Longyear Burkina Faso Sarl ²	Burkina Faso	Dormant	100	100
Boart Longyear Canada	Canada	Drilling Products and Services	100	100
Boart Longyear Chile Limitada	Chile	Drilling Products and Services	100	100
Boart Longyear Colombia S.A.S. ¹	Colombia	Dormant	-	100
Boart Longyear Company	USA	Drilling Products and Services	100	100
Boart Longyear de Mexico, S.A. de C.V.	Mexico	Drilling Services	100	100
Boart Longyear Drilling Products (Wuxi) Co., Ltd.	China	Drilling Products and Services	100	100
Boart Longyear Drilling Services KZ LLP ²	Kazakhstan	Dormant	100	100
Boart Longyear Eritrea Ltd.	Eritrea	Drilling Services	100	100
Boart Longyear Finance Ltd.	Canada	Holding Company	100	100
Boart Longyear GmbH & Co., KG	Germany	Drilling Products and Services	100	100
Boart Longyear Holdings (Thailand) Co., Ltd. ¹	Thailand	Dormant	-	100
Boart Longyear I LP ³	Canada	Drilling Services	100	-
Boart Longyear Incorporated	Canada	Holding Company	100	100
Boart Longyear International B.V.	Netherlands	Holding Company	100	100
Boart Longyear Investments Pty Ltd	Australia	Holding Company	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31. COMPANY SUBSIDIARIES (CONTINUED)

Subsidiaries	Country of incorporation	Business	31 Dec 2020	31 Dec 2019
Boart Longyear Liberia Corporation	Liberia	Dormant	100	100
Boart Longyear Limitada	Brasil	Dormant	100	100
Boart Longyear Limited	Ireland	Drilling Products	100	100
Boart Longyear LLC ¹	Russia Federation	Dormant	-	100
Boart Longyear Management Pty Ltd	Australia	Holding Company	100	100
Boart Longyear Manufacturing and Distribution Inc.	USA	Drilling Products	100	100
Boart Longyear Manufacturing Canada Ltd.	Canada	Drilling Products	100	100
Boart Longyear Netherlands BV	Netherlands	Holding Company	100	100
Boart Longyear Poland Spolka z.o.o.	Poland	Drilling Products and Services	100	100
Boart Longyear Products KZ LLP ²	Kazakhstan	Dormant	100	100
Boart Longyear RUS ¹	Russia Federation	Dormant	-	100
Boart Longyear S.A.C.	Peru	Drilling Products and Services	100	100
Boart Longyear Saudi Arabia LLC ²	Saudi Arabia	Dormant	100	100
Boart Longyear Sole Co., Limited	Laos	Drilling Services	100	100
Boart Longyear Suisse Sàrl	Switzerland	Holding Company	100	100
Boart Longyear Tanzania Limited ³	Tanzania	Drilling Services	100	-
Boart Longyear Ventures Inc.	Canada	Holding Company	100	100
Boart Longyear Vermögensverwaltung GmbH	Germany	Holding Company	100	100
Boart Longyear Zambia Limited ²	Zambia	Dormant	100	100
Cooperatief Longyear Holdings UA	Netherlands	Holding Company	100	100
Dongray Industrial Limited ¹	United Kingdom	Dormant	-	100
Geoserv Pesquisas Geologicas S.A.	Brasil	Dormant	100	100
Globaltech Corporation Pty Ltd	Australia	Holding Company	52	52
Inavel S.A.	Uruguay	Drilling Services	100	100
Longyear Canada, ULC	Canada	Drilling Products	100	100
Longyear DRC S.A. ³	Dem. Rep. of Congo	Holding Company	100	-
Longyear Global Holdings, Inc.	USA	Holding Company	100	100
Longyear South Africa (Pty) Ltd	South Africa	Drilling Products and Services	100	100
Longyear TM, Inc.	USA	Holding Company	100	100
P.T. Boart Longyear	Indonesia	Drilling Services	100	100
Patagonia Drill Mining Services S.A.	Argentina	Dormant	100	100
Votrait No. 1609 Pty Ltd	Australia	Drilling Services	100	100

(1) This entity was merged or dissolved in 2020.

(2) This entity is currently in liquidation status.

(3) This entity was formed in 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 8.

b) Other transactions with key management personnel of the Company

None.

c) During the year the Company incurred the following interest expenses associated with the relevant parties and corresponding debt facilities:

	Balances at 31 Dec 2020 US\$'000	Interest expense for the financial year ended 31 Dec 2020 US\$'000
Centerbridge		
Term Loan A	155,740	12,048
Term Loan B	187,743	14,524
Backstop ABL	17,282	1,805
Senior Secured Notes	287,618	4,410
Ascribe		
Backstop ABL	6,061	633
Senior Secured Notes	67,782	12,190
Unsecured Notes	42,543	632

33. CASH AND CASH EQUIVALENTS

Included in the cash balance as at 31 December 2020 is \$0.2 million of restricted cash and as at 31 December 2019 \$0.2 million of restricted cash. The Company cannot access these cash balances until certain conditions are met. These conditions pertain to the Company's ABL facility as well as restrictions to secure facility leases.

34. NON-CASH TRANSACTIONS

During the current year, the Company entered into the following non-cash financing transactions, which are not reflected in the consolidated statement of cash flows:

- \$85.8 million of non-cash interest expense

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Standards and Interpretations issued, but not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standard, Interpretations and amendments that have been issued, but are not yet effective.

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 17 'Insurance Contracts'	1 January 2023	31 December 2023
AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture [AASB 10 & AASB 128]	1 January 2022	31 December 2022
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & AASB 128	1 January 2022	31 December 2022
AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & AASB 128 and Editorial Corrections	1 January 2022 Editorial Corrections apply from 1 January 2018	31 December 2022
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current	1 January 2023	31 December 2023
AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020	1 January 2022	31 December 2022
AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform	1 January 2021	31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

Standards and Interpretations issued and effective

The Company has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

These standards and interpretations are set forth throughout the notes to the financial statements. The adoption of each standard individually did not have a significant impact on the Company's financial results or consolidated statement of financial position.

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Applied in the financial year ended
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020	31 December 2020
AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework	1 January 2020	31 December 2020
AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business	1 January 2020	31 December 2020
AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19 Related Rent Concessions	1 June 2020	31 December 2020
AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the effect of New IFRS Standards not yet Issued in Australia	1 January 2020	31 December 2020

36. SUBSEQUENT EVENTS

As released on 7 January 2021, the Company has engaged Rothschild & Co. as an advisor to support the Company's evaluation of potential options in anticipation of the maturation of the Company's debt facilities through the second half of 2022 including for refinancing or recapitalisation. At this time there are no material developments related to the strategic review; however, the Company continues to explore various solutions to materially improve the capital structure of the business.

SUPPLEMENTARY INFORMATION

Additional information as at 18 March 2021.

1. Substantial shareholders

The substantial shareholders as disclosed to the Company in substantial holders' notices are:

Holder	Number of Ordinary Shares in which relevant interest held
Centerbridge Partners group of Companies (as set out in Form 604: Notice of change of interests of substantial holder lodged 12 June 2019)	*14,156,931,140
Ascribe group of Companies (as set out in Form 604: Notice of change of interests of substantial holder lodged 27 September 2017)	**5,497,572,395

Subsequent to completion of the 300:1 Share consolidation on 11 November 2019, the number of shares held by each substantial shareholder is as follows:

Centerbridge Partners group of Companies*	47,189,771
Ascribe group of Companies**	18,325,242

2. Number of securities on issue and security holders

(a) Quoted Securities

i) Ordinary share capital

There are 88,511,800 quoted fully paid ordinary shares on issue under the ASX code "BLY", held by 3,607 individual shareholders. Each Ordinary shareholder present at a general meeting (whether in person or by proxy or representative) is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary share held.

ii) Warrants

There are 2,012,403 quoted warrants expiring 1 September 2024 held by 5,645 individual warrant holders, that are publically traded on the ASX under the code "BLYO". The quoted warrants do not carry rights to vote.

(b) Unquoted Securities

i) Options

There are 43,158 unquoted share options on issue held by 13 individual option holders that are not publically traded on the ASX under the code "BLYAA". The unquoted share options do not carry rights to vote.

ii) Warrants

There are 427,816 unquoted warrants expiring 1 September 2024 held by 9 individual warrant holders that are not publically traded on the ASX under the code "BLYAC". The unquoted warrants do not carry rights to vote.

3. Distribution of holders of equity securities

Range	Holders - Fully Paid Ordinary Shares
1 to 1,000	2,611
1,001 to 5,000	640
5,001 to 10,000	148
10,001 to 100,000	182
100,001 and over	26
Total	3,607

SUPPLEMENTARY INFORMATION

Additional information as at 18 March 2021.

4. Unmarketable parcel of shares

The number of security investors holding less than a marketable parcel of 834 securities (\$0.600 on 18/03/2021) is 2,280 and they hold 399,529 securities.

5. On-market buy back

There is no current on-market buy-back of Boart Longyear shares

6. 20 Largest holders of quoted equity securities

a) Fully paid ordinary shares

No.	Holder	Fully Paid Ordinary Shares	Percent of Issued Capital Held
1	CCP II DUTCH ACQUISITION - E2, B.V.	29,544,846	33.38
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	23,629,927	26.70
3	CCP CREDIT SC II DUTCH ACQUISITION - E, B.V.	13,467,607	15.22
4	HSBC CUSTODY NOMINEES (AUSTRALIA)	5,827,476	6.58
5	CS THIRD NOMINEES PTY LIMITED	1,264,037	1.43
6	MR JZHONG-WEI MIAO	1,203,000	1.36
7	PACIFIC CUSTODIANS PTY LIMITED	920,048	1.04
8	MR ALLAN KEITH CLARKE	430,000	0.49
9	CITICORP NOMINEES PTY LIMITED	425,807	0.48
10	RIADIS HOLDINGS PTY LTD	420,000	0.47
11	MR CHRISTOPHER STUART KING	330,023	0.37
12	KEONG LIM PTY LIMITED	278,847	0.32
13	MR JEFFREY OLSEN	271,422	0.31
14	MRS GUIXING JIAN	268,688	0.30
15	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	224,166	0.25
16	MR MARK ANTHONY LEE	216,426	0.24
17	MR JAMES DOUGLAS KERN	202,602	0.23
18	RUSSELL INVESTMENTS	202,444	0.23
19	MR JIMMY YIP	198,241	0.22
20	MR PETER JOHN BELLGROVE	150,480	0.17
TOTAL FOR TOP 20		79,476,087	89.79

SUPPLEMENTARY INFORMATION

Additional information as at 18 March 2021.

6. 20 Largest holders of quoted equity securities (cont.)

b) Warrants

No. Holder	Quoted Warrants	Percent held of Quoted Warrants
1 J P MORGAN NOMINEES AUSTRALIA LIMITED	191,787	9.53
2 VFG ASSET MANAGEMENT PTY LTD	172,756	8.58
3 CITICORP NOMINEES PTY LIMITED	101,076	5.02
4 MR THEOFANIS & MRS DIMITRA PERDIKIS	84,608	4.20
5 PACIFIC CUSTODIANS PTY LTD	70,400	3.50
6 BNP PARIBAS NOMINEES PTY LTD – IB AU NOMS	40,547	2.01
7 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,192	2.00
8 OUTCOME POSITIVE PTY LTD	40,000	1.99
9 MRS SURANJITA MULVEY	36,774	1.83
10 MR TREVOR DURRANT	30,000	1.49
11 PACIFIC CUSTODIANS PTY LIMITED	25,163	1.25
12 BNP PARIBAS NOMINEES PTY LTD – SIX SIS LTD	24,581	1.22
13 BNP PARIBAS NOMS PTY LTD	24,121	1.20
14 DR SIL LIN TAN	22,654	1.13
15 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	22,018	1.09
16 MR BAREND JACOBUS STOLTZ	21,039	1.05
17 PACIFIC CUSTODIANS PTY LIMITED	20,334	1.01
18 STYX RIVER PTY LTD	19,563	0.97
19 BUDDY TRADER PTY LTD	19,167	0.95
20 RIADIS HOLDINGS PTY LTD	18,334	0.91
TOTAL	1,025,114	50.94%

1. Holders of 20% or greater of unquoted equity securities:

a) Options

No. Holder	Unquoted Options	Percent held of Unquoted Options
1 MR RICHARD O'BRIEN	35,752	82.84
TOTAL	37,752	82.84%

b) Warrants

No. Holder	Unquoted Warrants	Percent held of Unquoted Warrants
1 WATFORD RE LTD	188,750	44.12
2 CITICORP NOMINEES PTY LIMITED	140,240	32.78
TOTAL	328,990	76.90%

ANNEXURE E

Report On Company Activities and Property (ASIC Form 507)



ASIC
Australian Securities &
Investments Commission

Office only box

Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
Boart Longyear Limited

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
123 052 728

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Registered office

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Principal place of business

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
Boart Longyear Company (Utah)	Nora Pincus 26 Butler Boulevard Burbridge Business Park Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	11,643
Boart Longyear Investments Pty Ltd. (Australia)	Nora Pincus 26 Butler Boulevard Burbridge Business Park Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	132,935,255
Boart Longyear Management Pty Limited (ASX Mgt Co)	Nora Pincus 26 Butler Boulevard Burbridge Business Park Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	146,712,759
Votrant No. 1609 Pty Ltd (Australia)	Nora Pincus 26 Butler Boulevard Burbridge Business Park Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	25,419,437
Tax Liabilities							
Australian Tax Office - Income Tax Payable		N/A					55
Australian Tax Office - Withholding Tax Payable		N/A					121

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)		Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debt Facilities									
	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au	201505010039886	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X			43,500,000
	U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270079279	Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility				93,780,479
	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270079279	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X			322,161,136
	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041896 201410240067908 201707130054804 201812210123402 201812210123460	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X			58,657,575
	Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041896 201410240067908 201707130054804 201812210123402 201812210123460	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Bridge Financing Loan	X			50,000,000
	Wilmington Trust National Association as agent for the Term Loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041896 201410240067908 201707130054804 201812210123402 201812210123460	Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X			158,854,343
	Wilmington Trust National Association as agent for the Term Loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041896 201410240067908 201707130054804 201812210123402 201812210123460	Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X			191,497,991
Total									1,223,530,794

Appendix 1 Fixed Assets
(In USD)

Boart Longyear Limited

	Boart Longyear Limited
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 2 Inventory
(in USD)

Boart Longyear Limited

	Boart Longyear Limited
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 3 Other Assets
(in USD)

Boart Longyear Limited

	Boart Longyear Limited
Investment in Subsidiaries	3,796,071
Intangible	-
Prepaid expenses	287
Assets Held for Sale	-
Goodwill	-
Deferred Tax Asset	0
Other Current Assets	-
Total ^(a)	3,796,359

^(a) Net value

Appendix 4 Assets Subject to specific security interests

Boart Longyear Limited

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Limited	Boart Longyear Management Pty Ltd, Vostraint No. 1609 Pty Ltd, Coöperatief Longyear Holdings U.A., Boart Longyear Management Pty Ltd, (47.766298%), Management (0.00016%), Boart Longyear Netherlands B.V., Boart Longyear (NZ) Limited, Boart Longyear Alberta Limited, Boart Longyear Australia Pty Ltd (70.56%) and Boart Longyear Investments Pty Ltd.	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Limited	As Above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Limited	As Above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

Appendix 4 Assets Subject to specific security interests

Boart Longyear Limited

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Limited	Boart Longyear Management Pty Ltd, Vostraint No. 1609 Pty Ltd, Coöperatief Longyear Holdings U.A., Boart Longyear Management Pty Ltd, (47.766298%), Management (0.00016%), Boart Longyear Netherlands B.V., Boart Longyear (NZ) Limited, Boart Longyear Alberta Limited, Boart Longyear Australia Pty Ltd (70.56%) and Boart Longyear Investments Pty Ltd.	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Limited	As Above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Limited	As Above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.



ASIC
Australian Securities &
Investments Commission

Office only box

Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
Boart Longyear Management Pty Limited

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
123 283 545

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Registered office

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Principal place of business

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 : Does the Company owe money, goods or services to others (other than to employees)?

Yes

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
Boart Longyear Australia Pty Ltd (Australia)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	29,951,305
Boart Longyear Poland Spoka Z o.o. (Poland)	Nora Pincus, Popieluszki 30, katy Wroclawskie, Poland, PL 55-080	nora.pincus@boartlongyear.com				X	274,312
Boart Longyear de Mexico, S.A. de C.V. (Mexico)	Nora Pincus, Av. Del Bosque #1190,CP 45609, Tlaquepaque Jalisco, MX	nora.pincus@boartlongyear.com				X	5,930,494
Longyear Global Holdings, Inc (US-Delaware)	Nora Pincus, 251 Little Falls Drive, Wilmington DE 19808 USA	nora.pincus@boartlongyear.com				X	85,520,948
Votraint Switzerland Sarl (Switzerland)	Nora Pincus, Avenue des Morgines 12, Petit-Lancy, Switzerland, 1213	nora.pincus@boartlongyear.com				X	5,932
Tax Liabilities							
Australian Tax Office - Withholding Tax Payable	N/A	N/A					122,482
Australian Tax Office - Income Tax Payable	N/A	N/A					112

A5 : Does the Company owe money, goods or services to others (other than to employees)?

Yes

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debt Facilities PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au	201505010040481		X		43,500,000
U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270075764				93,780,479
U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270075764		X		322,161,136
Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041780 201410240068032 201707130055465 201812210123281 201812210123571		X		58,657,575

A5 : Does the Company owe money, goods or services to others (other than to employees)?

Yes

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041780 201410240068032 201707130055465 201812210123281 201812210123571		X		50,000,000
Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041780 201410240068032 201707130055465 201812210123281 201812210123571	Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X		158,854,343
Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041780 201410240068032 201707130055465 201812210123281 201812210123571	Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X		191,497,991

Total

1,040,257,110

A7 Does the Company own any assets as listed below?

- Bank accounts
- Motor vehicles
- Plant and equipment
- Inventories
- Property on trust
- Superannuation fund
- Real property
- Other assets

Please see details below
 Please see appendix 1
 Please see appendix 1
 Please see appendix 2
 No
 No
 Please see appendix 1
 Please see appendix 3 and 4

If you answered NO to all the items, explain why the Company has no assets.
 (In USD)

Asset description	Location/address where asset is located. With Bank accounts, give bank details including A/C numbers	Security held by	Estimated Asset value
Bank Account - PNC	XXXXXX2995	PNC Bank, US Bank, Wilmington Trust, various lessors	75,238
Bank Account - PNC	XXXXXX5759	PNC Bank, US Bank, Wilmington Trust, various lessors	8,283
Bank Account - PNC	XXXXXX0987	PNC Bank, US Bank, Wilmington Trust, various lessors	41
Bank Account - PNC	XXXXXX1765	PNC Bank, US Bank, Wilmington Trust, various lessors	884
Total			84,445

Appendix 1 Fixed Assets
(In USD)

	Boart Longyear Management Pty Limited
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 2 Inventory
(In USD)

	Boart Longyear Management Pty Limited
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ^(a)	-

^(a) Net value

Appendix 3 Other Assets
(In USD)

Boart Longyear Management Pty Limited

	Boart Longyear Management Pty Limited
Investment in Subsidiaries	12,933,143
Intangible	-
Prepaid expenses	728
Assets Held for Sale	-
Goodwill	-
Deferred Tax Asset	(755)
Other Current Assets	-
Total ^(a)	12,933,117

^(a) Net value

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Management Pty Limited	Boart Longyear Saudi Arabia LLC (90%).	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Management Pty Limited	As Above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Management Pty Limited	As Above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Management Pty Limited	Boart Longyear Saudi Arabia LLC (90%).	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Management Pty Limited	As Above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Management Pty Limited	As Above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.



ASIC
Australian Securities &
Investments Commission

Office only box

Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
Boart Longyear Australia Pty Ltd

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
000 401 025

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Registered office

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Principal place of business

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION A9. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
1	30/12/2009	6,053	23,109	13,275	1,150	-	20,459	-	64,045
2	2/07/2018	4,780	22,608	-	908	-	303	-	28,599
3	23/05/2003	4,652	86,913	96,129	1,176	-	3,080	-	191,951
4	14/02/2020	5,133	16,771	-	975	-	770	-	23,650
5	24/04/1998	5,133	59,759	21,883	1,469	-	2,310	-	90,555
6	5/05/2004	-	-	-	969	-	1,040	-	2,009
7	2/04/2018	-	13,495	-	1,046	-	1,289	-	15,830
8	22/11/2004	2,136	27,969	16,017	406	-	-	-	46,528
9	10/09/2013	3,287	75,399	11,258	625	-	-	-	90,568
10	27/02/1989	5,180	155,902	48,558	1,623	-	-	-	211,263
11	8/07/1997	1,925	36,448	14,815	751	-	-	-	53,939
12	3/02/1992	2,890	62,352	23,939	867	-	-	-	90,047
13	4/06/2012	-	39,974	15,152	1,119	-	-	-	56,245
14	15/08/2005	5,065	68,199	47,769	1,440	-	-	-	122,473
15	14/01/2004	2,631	34,684	23,644	808	-	-	-	61,766
16	4/01/1982	4,270	134,714	36,668	1,458	-	-	-	177,110
17	20/11/2000	-	27,950	309	1,278	-	1,574	-	31,111
18	1/07/2006	4,434	62,054	30,758	1,703	-	-	-	98,948
19	8/02/2020	1,733	2,103	-	329	-	-	-	4,165
20	2/08/2004	3,668	66,945	36,868	697	-	4,934	-	113,111
21	24/10/2005	4,652	62,345	20,459	966	-	780	-	89,203
22	26/05/2003	-	25,724	30,136	717	-	-	-	56,577
23	23/08/1976	4,457	209,516	65,528	1,649	-	4,733	-	285,883
24	15/01/1980	2,510	41,096	22,180	500	-	-	-	66,285
25	31/10/2001	6,396	56,049	68,086	1,215	-	22,178	-	153,925
26	5/01/2021	3,850	2,900	-	732	-	-	-	7,482
27	11/01/2005	5,101	97,572	27,970	969	-	1,040	-	132,652
28	1/10/1986	3,216	98,466	22,856	1,126	-	-	-	125,664
29	5/08/2020	-	4,290	-	1,379	-	2,021	-	7,690
30	29/08/1988	2,505	71,517	24,887	476	-	-	-	99,385
31	24/04/2006	3,643	70,203	36,275	796	-	-	-	110,917
32	3/07/2006	-	17,463	10,075	1,002	-	-	-	28,540
33	5/01/2006	-	22,744	7,135	418	-	-	-	30,297
34	3/04/2018	-	7,111	-	1,451	-	448	-	9,010
35	28/02/2005	3,031	56,421	14,241	749	-	5,579	-	80,019
36	28/08/2006	-	11,220	18,625	1,946	-	-	-	31,790
37	28/01/2020	-	-	-	463	-	-	-	463

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
38	17/08/2015	3,529	34,653	-	671	-	-	-	38,852
39	19/08/2019	4,978	15,372	-	1,213	-	25,058	-	46,621
40	7/01/2003	5,506	84,467	49,732	1,816	-	-	-	141,521
41	29/01/2020	-	7,016	-	1,067	-	-	-	8,083
42	29/03/2004	-	71,006	33,635	1,016	-	674	-	106,331
43	2/03/2004	-	59,873	32,326	1,043	-	693	-	93,935
44	30/06/2005	4,813	47,133	26,226	997	-	780	-	79,948
45	16/02/2005	4,652	80,011	59,326	1,038	-	674	-	145,700
46	6/10/2006	-	20,102	9,538	692	-	548	-	30,880
47	9/09/2004	5,535	112,105	40,490	1,265	-	24,993	-	184,388
48	24/05/1999	5,968	102,645	30,360	1,323	-	1,544	-	141,840
49	14/12/2016	4,652	23,278	-	884	-	1,348	-	30,161
50	9/08/2005	5,685	55,724	13,068	1,354	-	2,888	-	78,719
51	5/09/2000	4,235	48,436	10,498	805	-	-	-	63,974
52	24/03/2004	-	26,056	4,399	984	-	1,016	-	32,455
53	13/07/2001	(9,150)	922	46,464	1,136	-	-	-	39,372
54	22/02/2006	4,257	19,175	27,224	1,012	-	616	-	52,284
55	1/11/2006	2,161	42,681	18,668	568	-	-	-	64,078
56	13/11/2006	2,031	28,460	22,899	4,573	-	-	-	57,962
57	15/01/2007	-	33,373	15,187	910	-	984	-	50,453
58	9/01/2007	-	24,160	10,224	832	-	2,563	-	37,779
59	22/01/2007	-	23,301	12,544	1,517	-	-	-	37,361
60	6/11/2006	-	22,102	11,916	1,118	-	-	-	35,136
61	21/11/2006	5,223	27,536	4,525	1,192	-	1,675	-	40,150
62	24/11/2014	4,378	35,829	-	832	-	-	-	41,039
63	19/03/2007	5,973	24,136	16,220	1,501	-	3,850	-	51,680
64	14/02/2007	-	14,294	12,711	796	-	1,180	-	28,981
65	9/04/2007	6,917	46,975	4,394	1,396	-	780	-	60,461
66	23/04/2007	3,964	30,254	10,029	934	-	10,945	-	56,126
67	16/04/2019	-	3,693	-	1,079	-	780	-	5,552
68	7/05/2007	-	35,383	22,148	679	-	-	-	58,209
69	1/06/2007	1,974	39,949	6,544	413	-	-	-	48,880
70	1/06/2007	4,288	49,345	29,819	854	-	-	-	84,307
71	20/11/2018	-	9,873	-	816	-	-	-	10,689
72	26/07/2015	3,933	78,927	-	1,294	-	32,019	-	116,172
73	24/02/2020	-	6,935	-	1,232	-	1,267	-	9,434
74	21/04/2006	6,406	59,181	32,252	1,217	-	35,907	-	134,963
75	10/04/2007	4,815	25,004	8,138	988	-	693	-	39,638

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
76	4/01/2021	-	2,126	-	993	-	1,683		4,801
77	10/08/2007	-	35,023	13,034	931	-	-		48,988
78	11/09/2007	4,854	66,050	27,774	1,114	-	1,949		101,742
79	26/04/2017	-	26,602	-	1,277	-	2,310		30,189
80	10/01/2019	-	6,465	-	1,062	-	2,711		10,238
81	5/11/2007	-	24,157	21,224	664	-	-		46,044
82	1/05/2008	4,361	34,257	3,209	869	-	9,710		52,406
83	31/01/2018	-	6,030	-	1,082	-	401		7,514
84	25/06/2013	-	16,249	9,788	1,048	-	1,604		28,690
85	28/04/2009	-	36,075	11,861	678	-	-		48,615
86	14/09/2018	-	9,824	-	1,390	-	2,310		13,524
87	2/06/2008	7,700	-	-	504	-	-		8,204
88	9/03/2021	-	901	-	911	-	989		2,800
89	15/05/2008	-	22,072	5,510	566	-	988		29,135
90	30/08/2013	-	14,316	8,793	491	-	-		23,599
91	29/01/2020	-	5,698	-	1,141	-	1,042		7,880
92	29/05/2008	-	13,230	5,993	548	-	716		20,486
93	4/09/2008	5,294	23,189	28,556	1,006	-	-		58,045
94	25/11/2019	-	6,219	-	1,141	-	934		8,294
95	21/08/2018	-	7,770	-	857	-	1,133		9,760
96	1/02/2016	7,378	21,945	-	1,896	-	2,310		33,528
97	23/01/2010	-	4,669	10,946	1,110	-	1,733		18,458
98	1/10/2010	2,142	22,787	14,265	427	-	-		39,620
99	4/01/2010	1,526	24,777	19,805	819	-	-		46,926
100	10/02/2021	-	1,483	-	989	-	4,087		6,559
101	20/08/2018	3,208	57,465	-	610	-	-		61,283
102	30/04/2018	-	8,498	-	1,013	-	1,752		11,263
103	24/11/2020	-	3,002	-	1,182	-	2,805		6,989
104	9/09/2019	-	7,232	-	1,066	-	1,379		9,678
105	9/02/2010	4,813	40,932	30,683	977	-	866		78,290
106	5/10/2020	-	3,554	-	772	-	1,119		5,445
107	7/08/2010	-	25,811	13,449	1,163	-	1,641		42,063
108	22/03/2016	-	9,348	-	1,145	-	2,666		13,159
109	25/06/2010	-	-	-	743	-	-		743
110	6/02/2015	2,076	77,718	-	1,246	-	433		81,473
111	9/09/2013	-	14,454	11,867	1,121	-	623		28,064
112	14/09/2010	8,090	93,066	48,959	1,604	-	35,774		187,493
113	20/06/2016	-	9,989	-	1,139	-	960		12,089

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
114	13/05/2013	-	3,839	5,981	499	-	-	-	10,320
115	7/10/2010	-	27,440	12,553	894	-	-	-	40,888
116	8/11/2010	3,041	18,888	28,256	802	-	10,020	-	61,007
117	25/10/2010	-	20,673	15,463	680	-	-	-	36,815
118	12/02/2011	-	22,380	13,114	1,323	-	1,954	-	38,771
119	9/01/2013	-	25,711	10,561	822	-	176	-	37,269
120	17/10/2016	-	12,879	-	678	-	-	-	13,558
121	2/04/2015	-	4,880	-	1,582	-	2,255	-	8,717
122	10/03/2014	-	3,342	5,572	513	-	-	-	9,427
123	28/03/2021	-	408	-	773	-	1,311	-	2,493
124	29/04/2019	-	10,549	-	690	-	1,622	-	12,861
125	17/03/2011	-	8,708	8,087	927	-	2,481	-	20,201
126	23/05/2017	-	6,461	-	961	-	2,720	-	10,142
127	13/11/2017	-	12,222	-	802	-	1,040	-	14,063
128	30/06/2011	-	23,219	10,178	1,303	-	4,352	-	39,052
129	18/11/2011	-	5,525	5,333	631	-	668	-	12,157
130	14/04/2012	3,080	24,130	16,723	585	-	-	-	44,518
131	27/10/2011	-	25,329	6,750	747	-	940	-	33,766
132	1/12/2011	2,591	28,290	9,762	492	-	-	-	41,135
133	26/03/2012	3,208	15,589	18,074	610	-	4,543	-	42,023
134	16/01/2012	-	18,421	12,068	1,402	-	1,334	-	33,225
135	13/05/2019	-	6,684	-	1,121	-	1,040	-	8,844
136	31/01/2012	-	35,999	10,985	890	-	-	-	47,874
137	7/02/2012	-	20,620	12,260	509	-	1,444	-	34,833
138	13/02/2012	-	16,487	15,809	968	-	-	-	33,264
139	14/02/2012	-	17,117	9,091	1,171	-	2,366	-	29,744
140	14/02/2012	-	24,683	7,757	801	-	2,138	-	35,380
141	5/08/2019	-	10,693	-	1,479	-	2,509	-	14,681
142	30/04/2012	2,783	23,299	15,076	529	-	3,941	-	45,628
143	26/03/2012	-	4,556	12,602	614	-	-	-	17,771
144	22/05/2012	1,133	-	-	343	-	-	-	1,476
145	14/05/2014	-	14,451	5,670	667	-	728	-	21,516
146	15/01/2013	-	12,408	9,998	1,427	-	1,627	-	25,459
147	21/08/2020	-	-	-	8	-	-	-	8
148	24/02/2016	-	9,974	-	867	-	1,533	-	12,374
149	16/07/2012	4,437	9,332	24,547	884	-	9,881	-	49,082
150	16/07/2012	4,481	14,677	4,928	851	-	9,518	-	34,455
151	17/07/2012	-	9,411	9,902	1,052	-	-	-	20,365

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
152	2/12/2019	5,181	18,649	-	984	-	-	-	24,815
153	7/02/2013	-	14,783	11,702	1,228	-	1,221	-	28,934
154	15/01/2020	-	3,836	-	1,162	-	878	-	5,877
155	9/07/2018	4,877	13,971	-	995	-	722	-	20,564
156	25/06/2013	-	11,211	5,728	605	-	812	-	18,357
157	16/09/2013	2,385	15,931	12,020	499	-	-	-	30,836
158	3/03/2020	-	3,301	-	972	-	1,077	-	5,349
159	4/11/2013	2,242	20,539	12,356	522	-	-	-	35,659
160	18/02/2018	4,652	32,450	-	925	-	173	-	38,200
161	24/06/2014	5,995	13,933	-	1,139	-	23,938	-	45,005
162	13/10/2014	3,208	24,986	-	1,219	-	-	-	29,414
163	19/03/2015	-	11,654	-	1,130	-	3,547	-	16,330
164	3/11/2014	-	23,581	-	1,151	-	-	-	24,732
165	5/11/2014	4,973	79,780	-	1,027	-	1,040	-	86,820
166	5/12/2014	6,673	55,093	-	1,653	-	-	-	63,419
167	4/12/2014	358	41,029	-	966	-	-	-	42,354
168	12/01/2015	5,022	26,268	-	1,594	-	23,013	-	55,896
169	28/01/2015	4,243	40,302	-	875	-	866	-	46,286
170	1/10/2015	-	15,362	-	678	-	-	-	16,040
171	15/07/2015	-	1,862	-	565	-	-	-	2,427
172	22/05/2015	-	3,303	-	564	-	161	-	4,028
173	21/11/2015	-	3,395	-	496	-	-	-	3,891
174	7/06/2015	4,564	21,774	-	867	-	8,655	-	35,859
175	21/11/2015	-	6,609	-	528	-	-	-	7,137
176	24/08/2015	-	10,104	-	753	-	-	-	10,857
177	21/08/2015	-	5,769	-	1,013	-	2,041	-	8,823
178	12/10/2015	2,212	32,833	-	420	-	-	-	35,466
179	16/12/2015	-	11,527	-	1,409	-	-	-	14,497
180	21/12/2015	-	6,958	-	727	-	1,561	-	9,511
181	16/07/2019	-	8,951	-	811	-	1,542	-	11,304
182	1/02/2016	-	18,462	-	952	-	1,273	-	20,687
183	26/08/2019	-	5,014	-	860	-	1,225	-	7,099
184	22/04/2020	-	6,556	-	1,076	-	2,121	-	9,754
185	13/11/2017	-	6,358	-	781	-	440	-	7,578
186	22/03/2016	-	14,377	-	519	-	505	-	15,400
187 ⁽¹⁾	28/06/2016	7,252	37,513	-	1,444	-	32,941	X	79,151
188	28/06/2016	2,219	19,869	-	442	-	-	-	22,529
189	4/11/2019	-	4,165	-	675	-	-	-	4,840

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190	9/08/2016	-	8,551	-	1,175	-	2,090		11,815
191	14/02/2019	-	7,206	-	947	-	1,767		9,920
192	1/11/2016	-	10,113	-	696	-	2,351		13,161
193	9/11/2016	-	13,341	-	915	-	2,310		16,566
194	6/02/2017	3,786	21,143	-	719	-	-		25,648
195	15/02/2017	4,287	16,778	-	897	-	10,534		32,496
196	28/02/2017	-	6,146	-	390	-	440		6,976
197	25/02/2020	-	-	-	439	-	-		439
198	1/05/2017	3,185	17,077	-	605	-	-		20,867
199	26/04/2017	-	4,125	-	770	-	331		5,226
200	10/05/2017	-	6,830	-	1,117	-	1,256		9,203
201	22/05/2017	2,677	25,913	-	992	-	-		29,582
202	26/06/2017	4,891	24,378	-	1,257	-	-		30,526
203	2/12/2017	-	6,860	-	655	-	670		8,185
204	14/01/2020	-	6,441	-	836	-	1,794		9,071
205	3/07/2017	2,470	20,983	-	469	-	-		23,923
206	19/02/2018	-	4,279	-	589	-	1,386		6,254
207	29/04/2019	3,658	24,577	-	695	-	-		28,929
208	7/09/2017	-	10,965	-	933	-	1,837		13,735
209	7/09/2017	-	10,887	-	582	-	-		11,468
210	9/10/2017	-	25,761	-	856	-	7,718		34,334
211	10/12/2019	-	3,985	-	800	-	894		5,679
212	11/06/2018	-	9,783	-	804	-	2,161		12,747
213 ⁽¹⁾	13/12/2017	6,444	21,420	-	1,224	-	22,812	X	51,900
213	22/11/2017	4,353	16,145	-	867	-	8,655		30,019
214	29/04/2019	-	9,164	-	642	-	-		9,807
215	6/12/2017	-	4,212	-	1,100	-	1,350		6,663
216	8/01/2018	2,970	18,489	-	949	-	-		22,408
217	10/01/2018	-	6,710	-	733	-	936		8,379
218	7/02/2018	-	8,573	-	1,029	-	990		10,592
219	18/02/2018	-	-	-	781	-	521		1,301
220	12/02/2018	-	6,865	-	788	-	467		8,120
221	19/02/2018	3,805	10,476	-	782	-	-		15,063
222	20/02/2018	-	11,494	-	1,245	-	1,364		14,103
223	6/03/2018	-	9,011	-	963	-	2,303		12,277
224	28/02/2018	-	10,219	-	1,238	-	1,215		12,672
225	4/07/2018	-	7,406	-	717	-	-		8,123
226	26/03/2018	1,925	19,351	-	366	-	-		21,642

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Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
227	30/04/2018	5,326	33,959	-	1,474	-	15,083		55,842
228	9/04/2018	-	6,671	-	590	-	1,046		8,306
229	20/04/2021	-	13	-	96	-	1,587		1,697
230	17/04/2018	-	13,620	-	930	-	1,956		16,506
231	30/04/2018	4,973	5,263	-	1,483	-	2,310		14,029
232	1/05/2018	-	-	-	198	-	-		198
233	8/05/2018	-	5,916	-	525	-	770		7,211
234	17/12/2018	-	6,295	-	618	-	-		6,913
235	18/05/2018	-	4,897	-	322	-	-		5,219
236	15/05/2018	-	11,126	-	812	-	1,093		13,031
237	18/06/2018	-	6,048	-	494	-	-		6,541
238	20/05/2018	-	5,149	-	902	-	1,489		7,539
239	28/10/2020	-	2,678	-	999	-	754		4,431
240	24/05/2018	-	7,917	-	601	-	1,080		9,598
241	28/05/2018	-	9,539	-	681	-	1,027		11,248
242	19/06/2018	1,305	9,076	-	248	-	-		10,628
243	19/06/2018	-	6,888	-	1,077	-	1,786		9,751
244	3/07/2018	-	975	-	675	-	1,802		3,451
245	27/06/2018	-	7,429	-	658	-	-		8,088
246	16/07/2018	-	9,308	-	844	-	-		10,151
247	14/08/2018	-	10,661	-	628	-	712		12,001
248	26/08/2018	-	9,858	-	695	-	544		11,097
249	18/03/2019	-	-	-	1,124	-	-		1,124
250	14/01/2019	3,636	19,560	-	1,143	-	-		24,339
251	14/09/2018	4,267	21,967	-	1,197	-	23,374		50,805
252	1/02/2019	4,805	8,873	-	1,006	-	7,871		22,555
253	24/09/2018	-	10,405	-	681	-	1,058		12,144
254	24/09/2018	2,370	14,204	-	450	-	-		17,024
255	26/09/2018	3,870	18,606	-	769	-	-		23,245
256	8/10/2018	3,991	22,580	-	758	-	-		27,330
257	8/07/2019	-	6,529	-	870	-	1,878		9,277
258	8/10/2018	-	4,197	-	1,560	-	3,114		8,871
259	13/05/2019	-	6,045	-	776	-	1,974		8,795
260	2/09/2019	-	5,010	-	648	-	1,070		6,729
261	24/11/2020	-	1,963	-	720	-	-		2,683
262	15/11/2018	-	-	-	586	-	-		586
263	5/11/2018	4,813	18,999	-	997	-	780		25,588
264	8/11/2018	-	3,539	-	1,587	-	8,162		13,288

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265	27/11/2018	-	5,747	-	805	-	844	-	7,396
266	5/08/2019	-	3,141	-	367	-	315	-	3,823
267	4/02/2019	-	3,287	-	602	-	-	-	3,889
268	19/11/2018	4,378	18,862	-	1,176	-	20,981	-	45,398
269	2/03/2021	-	763	-	876	-	876	-	2,515
270	7/01/2019	3,732	14,232	-	1,093	-	-	-	19,057
271	12/11/2019	-	1,167	-	693	-	876	-	2,737
272	17/12/2018	-	14,175	-	716	-	-	-	14,891
273	14/01/2019	-	9,155	-	775	-	-	-	9,930
274	15/01/2019	-	3,446	-	288	-	2,226	-	5,960
275	25/11/2019	-	2,355	-	743	-	2,697	-	5,795
276	21/01/2019	-	4,242	-	370	-	-	-	4,612
277	14/09/2019	-	5,722	-	422	-	-	-	6,144
278	17/06/2019	-	5,624	-	654	-	994	-	7,272
279	4/02/2019	-	7,864	-	752	-	1,940	-	10,557
280	2/09/2019	-	10,012	-	1,106	-	2,516	-	13,634
281	11/02/2019	-	4,691	-	564	-	350	-	5,606
282	18/02/2019	-	2,906	-	726	-	880	-	4,512
283	18/02/2019	-	10,412	-	1,116	-	1,020	-	12,548
284	8/07/2019	-	4,169	-	788	-	1,036	-	5,993
285	22/09/2019	-	5,048	-	694	-	1,735	-	7,477
286	9/09/2019	2,221	9,025	-	549	-	-	-	11,795
287	4/03/2019	3,305	9,834	-	658	-	-	-	13,797
288	24/03/2019	-	7,832	-	765	-	1,198	-	9,795
289	10/06/2019	-	10,636	-	1,961	-	1,517	-	14,114
290	17/06/2019	-	6,940	-	832	-	1,639	-	9,411
291	18/03/2019	-	6,710	-	741	-	566	-	8,017
292	25/03/2019	-	6,843	-	845	-	1,031	-	8,719
293	18/11/2019	-	6,701	-	835	-	956	-	8,492
294	13/01/2020	-	4,338	-	680	-	823	-	5,842
295	16/04/2019	-	12,544	-	1,500	-	1,928	-	15,972
296	15/04/2019	-	8,454	-	862	-	473	-	9,789
297	23/04/2019	-	3,892	-	683	-	-	-	4,575
298	4/06/2019	3,208	13,912	-	610	-	-	-	17,730
299	23/04/2019	7,025	7,565	-	1,335	-	1,299	-	17,224
300	2/12/2019	-	5,433	-	778	-	1,866	-	8,076
301	1/05/2019	3,258	12,080	-	1,285	-	1,299	-	17,922
302	6/05/2019	-	6,345	-	733	-	971	-	8,048

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303	13/05/2019	3,850	11,779	-	732	-	7,769		24,129
304	20/05/2019	-	2,148	-	596	-	-		2,744
305	8/07/2019	-	2,111	-	554	-	1,441		4,105
306	15/10/2020	-	1,734	-	581	-	1,176		3,491
307	3/06/2019	-	7,167	-	642	-	-		7,809
308	29/02/2020	-	3,357	-	463	-	768		4,588
309	12/06/2019	-	2,906	-	220	-	-		3,126
310	17/06/2019	-	7,733	-	628	-	611		8,972
311	1/07/2019	3,366	4,407	-	671	-	-		8,444
312	13/01/2020	2,406	7,574	-	457	-	-		10,437
313	1/07/2019	3,266	7,616	-	1,006	-	-		11,888
314	18/11/2019	-	3,470	-	563	-	639		4,672
315	5/08/2019	2,764	8,563	-	610	-	-		11,937
316	23/07/2019	1,951	5,894	-	396	-	-		8,242
317	29/07/2019	-	13,259	-	970	-	1,483		15,711
318	9/12/2019	-	4,195	-	316	-	-		4,510
319	5/08/2019	-	6,330	-	311	-	466		7,107
320	9/12/2019	-	6,788	-	749	-	107		7,643
321	21/12/2019	-	1,881	-	754	-	602		3,237
322	19/08/2019	4,652	20,659	-	966	-	780		27,057
323	19/08/2019	3,812	11,474	-	724	-	-		16,010
324	26/08/2019	-	3,260	-	142	-	534		3,936
325	3/03/2020	-	2,163	-	613	-	1,269		4,045
326	10/09/2019	-	4,203	-	467	-	-		4,670
327	10/09/2019	-	5,556	-	727	-	-		6,283
328	26/08/2019	4,975	10,677	-	1,353	-	2,426		19,432
329	23/09/2019	-	7,451	-	1,141	-	1,646		10,238
330	18/09/2019	-	4,507	-	935	-	1,274		6,717
331	23/09/2019	-	4,669	-	521	-	190		5,380
332	25/09/2019	-	5,095	-	576	-	310		5,980
333	30/09/2019	-	1,721	-	662	-	756		3,139
334	1/10/2019	-	2,603	-	310	-	250		3,164
335	30/09/2019	3,812	12,056	-	724	-	-		16,592
336	9/10/2019	-	6,263	-	893	-	450		7,606
337	9/12/2019	-	1,497	-	420	-	348		2,264
338	10/06/2020	-	-	-	835	-	-		835
339	30/09/2019	-	-	-	617	-	-		617
340	4/11/2019	-	7,483	-	721	-	1,262		9,466

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341	4/11/2019	-	2,831	-	473	-	268		3,572
342	22/10/2019	-	3,925	-	780	-	336		5,041
343	21/10/2019	-	1,968	-	910	-	721		3,598
344	28/10/2019	-	4,643	-	781	-	521		5,944
345	28/10/2019	-	480	-	552	-	893		1,925
346	4/11/2019	-	823	-	646	-	1,233		2,701
347	11/11/2019	5,775	11,435	-	1,353	-	2,426		20,989
348	12/11/2019	-	3,819	-	657	-	725		5,201
349	21/10/2020	-	2,626	-	590	-	517		3,733
350	14/04/2021	-	2,234	-	223	-	958		3,414
351	3/12/2019	-	6,486	-	601	-	455		7,542
352	9/12/2019	-	2,911	-	949	-	1,329		5,190
353	18/11/2019	-	6,422	-	737	-	1,265		8,424
354	28/11/2019	-	5,772	-	456	-	-		6,229
355	3/12/2019	-	3,585	-	605	-	571		4,760
356	5/11/2019	-	1,553	-	463	-	1,356		3,372
357	9/12/2019	-	-	-	239	-	-		239
358	9/12/2019	-	940	-	365	-	39		1,344
359	18/12/2019	-	-	-	30	-	-		30
360	16/12/2019	1,219	6,915	-	247	-	-		8,381
361	30/12/2019	-	4,462	-	971	-	1,548		6,981
362	10/02/2020	3,640	18,004	-	762	-	-		22,407
363	2/01/2020	-	3,629	-	566	-	632		4,828
364	30/12/2019	-	-	-	745	-	-		745
365	30/12/2019	-	6,122	-	627	-	672		7,421
366	2/01/2020	-	5,808	-	737	-	1,841		8,387
367	7/01/2020	-	5,025	-	733	-	553		6,311
368	7/01/2020	-	2,364	-	535	-	-		2,898
369	6/01/2020	7,379	18,969	-	1,695	-	41,663		69,706
370	13/01/2020	-	3,531	-	468	-	-		3,998
371	15/01/2020	-	4,277	-	991	-	1,111		6,379
372	3/02/2020	-	4,530	-	934	-	1,835		7,300
373	27/01/2020	-	4,476	-	629	-	169		5,274
374	20/01/2020	-	4,882	-	1,043	-	901		6,826
375	3/02/2020	5,012	14,681	-	952	-	-		20,645
376	5/02/2020	2,246	2,545	-	427	-	-		5,217
377	11/02/2020	-	-	-	29	-	-		29
378	12/02/2020	2,647	1,561	-	656	-	-		4,864

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379	11/02/2020	-	1,926	-	781	-	400	-	3,106
380	12/02/2020	-	639	-	450	-	-	-	1,089
381	2/03/2020	-	4,348	-	770	-	1,102	-	6,220
382	26/02/2020	-	8,426	-	856	-	-	-	9,282
383	9/03/2020	-	3,060	-	788	-	467	-	4,315
384	9/03/2020	-	2,369	-	425	-	395	-	3,189
385	24/03/2020	-	3,954	-	1,152	-	425	-	5,530
386	17/03/2020	-	-	-	425	-	-	-	425
387	4/07/2020	-	4,162	-	610	-	883	-	5,655
388	12/03/2020	-	2,647	-	584	-	1,149	-	4,380
389	31/03/2020	-	4,976	-	651	-	502	-	6,128
390	24/02/2020	-	6,589	-	480	-	-	-	7,069
391	20/04/2020	-	7,205	-	951	-	-	-	8,155
392	12/05/2020	-	4,278	-	857	-	1,096	-	6,231
393	1/05/2020	-	7,492	-	826	-	-	-	8,318
394	12/05/2020	-	4,078	-	886	-	428	-	5,392
395	19/05/2020	-	2,869	-	343	-	-	-	3,212
396	26/05/2020	-	4,941	-	931	-	536	-	6,408
397	26/05/2020	-	4,483	-	865	-	675	-	6,024
398	26/05/2020	-	4,178	-	905	-	425	-	5,508
399	23/06/2020	-	6,491	-	1,056	-	1,472	-	9,019
400	16/06/2020	-	3,780	-	631	-	432	-	4,843
401	31/05/2020	-	2,199	-	644	-	917	-	3,759
402	10/06/2020	-	4,732	-	727	-	429	-	5,888
403	18/06/2020	-	2,350	-	732	-	1,195	-	4,277
404	23/06/2020	-	2,699	-	992	-	888	-	4,579
405	30/06/2020	-	3,605	-	720	-	-	-	4,325
406	3/07/2020	2,406	4,209	-	457	-	-	-	7,072
407	7/07/2020	-	2,153	-	755	-	1,698	-	4,606
408	8/07/2020	-	3,065	-	626	-	671	-	4,362
409	30/06/2020	-	1,349	-	644	-	1,682	-	3,676
410	5/08/2020	-	2,842	-	921	-	351	-	4,114
411	5/08/2020	-	2,078	-	845	-	393	-	3,316
412	16/01/2021	-	1,209	-	663	-	1,428	-	3,301
413	4/08/2020	-	1,383	-	610	-	270	-	2,264
414	7/09/2020	2,386	3,155	-	488	-	-	-	6,028
415	5/08/2020	-	2,689	-	1,035	-	806	-	4,529
416	31/08/2020	-	2,304	-	365	-	259	-	2,928

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
417	18/08/2020	-	2,212	-	420	-	109	-	2,741
418	16/01/2021	-	1,209	-	710	-	1,079	-	2,998
419	24/08/2020	2,631	2,164	-	500	-	-	-	5,295
420	1/09/2020	-	1,639	-	550	-	550	-	2,740
421	24/08/2020	-	1,921	-	390	-	-	-	2,311
422	9/09/2020	-	-	-	538	-	543	-	1,081
423	16/09/2020	-	2,338	-	533	-	311	-	3,182
424	16/01/2021	-	947	-	200	-	67	-	1,214
425	21/09/2020	1,243	2,679	-	236	-	-	-	4,159
426	9/09/2020	-	-	-	351	-	211	-	562
427	7/09/2020	-	1,153	-	226	-	-	-	1,379
428	8/09/2020	-	2,230	-	415	-	542	-	3,186
429	8/09/2020	-	2,440	-	718	-	642	-	3,799
430	8/09/2020	-	2,382	-	546	-	472	-	3,401
431	18/09/2020	-	375	-	435	-	-	-	810
432	22/09/2020	-	2,535	-	615	-	179	-	3,329
433	15/09/2020	-	3,122	-	674	-	489	-	4,286
434	15/09/2020	-	2,812	-	809	-	1,027	-	4,648
435	15/09/2020	-	1,684	-	977	-	620	-	3,280
436	1/10/2020	-	1,408	-	830	-	1,525	-	3,763
437	22/09/2020	-	2,066	-	623	-	384	-	3,073
438	29/09/2020	-	-	-	375	-	-	-	375
439	6/10/2020	-	777	-	755	-	445	-	1,977
440	29/09/2020	-	1,849	-	525	-	-	-	2,374
441	12/10/2020	2,727	4,551	-	518	-	-	-	7,796
442	30/09/2020	-	4,181	-	1,179	-	-	-	5,360
443	12/10/2020	4,010	4,826	-	933	-	-	-	9,769
444	13/10/2020	-	2,766	-	741	-	-	-	3,507
445	20/10/2020	-	2,095	-	343	-	116	-	2,554
446	27/10/2020	-	2,054	-	596	-	609	-	3,259
447	3/11/2020	-	2,019	-	624	-	275	-	2,918
448	28/10/2020	-	2,678	-	1,115	-	1,381	-	5,174
449	3/11/2020	-	2,061	-	623	-	270	-	2,953
450	10/11/2020	-	-	-	187	-	-	-	187
451	2/11/2020	-	1,797	-	602	-	1,653	-	4,053
452	2/11/2020	-	1,989	-	415	-	166	-	2,570
453	3/11/2020	-	2,172	-	538	-	637	-	3,346
454	3/11/2020	-	2,066	-	864	-	1,050	-	3,980

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
455	16/11/2020	-	1,683	-	511	-	370	-	2,564
456	9/11/2020	2,567	2,067	-	488	-	-	-	5,121
457	15/11/2020	-	1,672	-	584	-	878	-	3,134
458	17/11/2020	-	3,255	-	1,158	-	647	-	5,060
459	25/11/2020	-	2,267	-	928	-	464	-	3,660
460	30/11/2020	-	1,686	-	644	-	537	-	2,867
461	23/11/2020	-	1,593	-	467	-	199	-	2,260
462	17/11/2020	-	-	-	44	-	-	-	44
463	26/11/2020	-	3,280	-	457	-	-	-	3,737
464	17/11/2020	-	1,966	-	504	-	161	-	2,631
465	16/11/2020	-	636	-	561	-	468	-	1,665
466	17/11/2020	4,331	4,331	-	823	-	-	-	9,486
467	1/12/2020	-	2,066	-	579	-	632	-	3,277
468	7/12/2020	-	1,798	-	591	-	1,521	-	3,910
469	23/11/2020	-	1,668	-	539	-	738	-	2,945
470	2/12/2020	-	2,550	-	990	-	521	-	4,062
471	1/12/2020	-	1,761	-	577	-	557	-	2,895
472	1/12/2020	-	1,013	-	554	-	154	-	1,720
473	8/12/2020	-	1,497	-	594	-	549	-	2,640
474	1/12/2020	-	2,066	-	681	-	606	-	3,354
475	30/11/2020	-	1,336	-	805	-	1,109	-	3,250
476	12/11/2020	-	2,028	-	679	-	1,101	-	3,808
477	9/12/2020	-	1,595	-	508	-	378	-	2,481
478	29/12/2020	-	1,284	-	574	-	204	-	2,062
479	7/12/2020	2,727	2,345	-	518	-	-	-	5,590
480	22/12/2020	-	1,608	-	720	-	-	-	2,328
481	15/12/2020	-	1,590	-	647	-	298	-	2,535
482	5/01/2021	-	1,230	-	321	-	-	-	1,550
483	23/12/2020	-	1,285	-	364	-	196	-	1,844
484	11/01/2021	2,406	1,813	-	457	-	-	-	4,676
485	29/12/2020	-	893	-	551	-	235	-	1,678
486	5/01/2021	-	1,479	-	769	-	637	-	2,885
487	22/12/2020	-	2,613	-	800	-	-	-	3,413
488	29/12/2020	-	1,685	-	849	-	337	-	2,871
489	5/01/2021	-	1,479	-	635	-	579	-	2,694
490	4/01/2021	-	1,484	-	580	-	291	-	2,355
491	5/01/2021	-	1,003	-	559	-	88	-	1,650
492	5/01/2021	-	1,264	-	569	-	290	-	2,122

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
493	5/01/2021	-	1,264	-	514	-	177	-	1,956
494	5/01/2021	-	1,339	-	519	-	-	-	1,858
495	5/01/2021	2,073	1,089	-	457	-	-	-	3,619
496	26/01/2021	-	1,063	-	458	-	1,449	-	2,971
497	26/01/2021	-	1,063	-	458	-	907	-	2,428
498	26/01/2021	-	1,063	-	509	-	1,097	-	2,669
499	26/01/2021	-	1,088	-	687	-	943	-	2,718
500	19/01/2021	-	-	-	534	-	-	-	534
501	14/01/2021	-	1,334	-	720	-	-	-	2,054
502	19/01/2021	-	1,274	-	636	-	728	-	2,638
503	19/01/2021	-	958	-	369	-	573	-	1,900
504	12/01/2021	-	1,239	-	432	-	1,468	-	3,139
505	19/01/2021	-	1,699	-	1,078	-	4,567	-	7,344
506	19/01/2021	-	1,060	-	458	-	1,162	-	2,680
507	24/01/2021	2,647	1,731	-	503	-	-	-	4,881
508	18/01/2021	-	1,242	-	714	-	-	-	1,956
509	26/01/2021	-	822	-	419	-	939	-	2,181
510	24/02/2021	-	734	-	712	-	-	-	1,446
511	16/02/2021	-	1,088	-	458	-	-	-	1,546
512	21/01/2021	-	981	-	509	-	1,172	-	2,662
513	9/02/2021	-	888	-	407	-	-	-	1,295
514	9/02/2021	-	888	-	407	-	-	-	1,295
515	2/02/2021	-	1,069	-	759	-	673	-	2,500
516	2/02/2021	-	913	-	458	-	-	-	1,371
517	15/02/2021	-	892	-	712	-	-	-	1,604
518	9/02/2021	-	888	-	382	-	-	-	1,270
519	9/02/2021	-	888	-	534	-	-	-	1,422
520	9/02/2021	-	-	-	15	-	-	-	15
521	9/02/2021	-	888	-	356	-	-	-	1,244
522	10/02/2021	-	-	-	302	-	-	-	302
523	5/02/2021	-	902	-	553	-	605	-	2,060
524	9/02/2021	-	1,039	-	744	-	621	-	2,405
525	2/02/2021	-	1,014	-	534	-	376	-	1,924
526	10/02/2021	-	759	-	470	-	-	-	1,229
527	23/02/2021	-	713	-	509	-	-	-	1,221
528	10/02/2021	-	909	-	712	-	-	-	1,622
529	10/02/2021	2,322	1,459	-	441	-	-	-	4,222
530	23/02/2021	3,850	1,735	-	732	-	-	-	6,317

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
531	8/02/2021	-	464	-	304	-	-	-	768
532	23/02/2021	-	713	-	509	-	-	-	1,221
533	23/02/2021	-	713	-	460	-	-	-	1,173
534	8/03/2021	-	465	-	178	-	-	-	643
535	23/02/2021	-	602	-	392	-	-	-	994
536	2/03/2021	-	562	-	407	-	-	-	969
537	24/02/2021	-	734	-	712	-	-	-	1,446
538	25/02/2021	-	-	-	356	-	-	-	356
539	19/02/2021	-	807	-	59	-	-	-	866
540	9/03/2021	-	562	-	687	-	-	-	1,249
541	10/02/2021	-	909	-	712	-	-	-	1,622
542	2/03/2021	-	562	-	483	-	-	-	1,045
543	1/03/2021	-	1,053	-	385	-	-	-	1,438
544	9/03/2021	3,016	1,373	-	1,004	-	-	-	5,393
545	5/03/2021	-	551	-	509	-	-	-	1,060
546	10/03/2021	-	-	-	12	-	-	-	12
547	5/03/2021	-	551	-	432	-	-	-	984
548	8/03/2021	-	541	-	391	-	-	-	932
549	9/03/2021	-	562	-	712	-	-	-	1,274
550	9/03/2021	-	-	-	229	-	-	-	229
551	1/03/2021	4,813	888	-	1,161	-	2,118	-	8,979
552	16/03/2021	-	537	-	597	-	-	-	1,135
553	9/03/2021	-	537	-	432	-	-	-	970
554	12/01/2021	-	1,108	-	419	-	-	-	1,528
555	6/04/2021	1,999	195	-	380	-	-	-	2,574
556	23/02/2021	-	713	-	407	-	-	-	1,120
557	16/03/2021	-	552	-	808	-	840	-	2,200
558	18/03/2021	-	380	-	312	-	-	-	692
559	30/03/2021	-	354	-	878	-	1,782	-	3,015
560	31/03/2021	-	208	-	432	-	-	-	640
561	23/03/2021	-	387	-	648	-	-	-	1,035
562	31/03/2021	-	208	-	382	-	-	-	589
563	7/04/2021	-	158	-	303	-	-	-	461
564	12/04/2021	2,739	619	-	520	-	-	-	3,879
565	3/04/2021	-	247	-	702	-	499	-	1,448
566	2/03/2021	-	802	-	1,057	-	1,884	-	3,743
567	29/03/2021	-	215	-	496	-	-	-	710

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
568	23/03/2021	-	-	-	699	-	-	-	699
569	23/03/2021	-	362	-	432	-	-	-	794
570	17/03/2021	-	383	-	216	-	-	-	599
571	10/03/2021	-	559	-	712	-	-	-	1,271
572	30/03/2021	-	211	-	445	-	-	-	656
573	24/03/2021	-	-	-	36	-	-	-	36
574	24/03/2021	-	642	-	1,141	-	593	-	2,376
575	30/03/2021	-	175	-	360	-	-	-	535
576	30/03/2021	-	367	-	330	-	-	-	697
577	30/03/2021	-	211	-	394	-	-	-	605
578	13/04/2021	-	42	-	123	-	159	-	324
579	30/03/2021	-	211	-	292	-	-	-	503
580	30/03/2021	-	211	-	369	-	-	-	580
581	12/04/2021	3,776	-	-	717	-	-	-	4,493
582	6/04/2021	-	327	-	103	-	-	-	430
583	6/04/2021	-	186	-	204	-	-	-	390
584	7/04/2021	-	-	-	76	-	-	-	76
585	13/04/2021	-	186	-	127	-	-	-	313
586	14/04/2021	-	306	-	605	-	1,156	-	2,067
587	13/04/2021	-	186	-	254	-	-	-	441
588	9/04/2021	-	175	-	241	-	-	-	417
589	15/04/2021	-	79	-	51	-	-	-	130
590	19/04/2021	-	14	-	126	-	-	-	140
591	19/04/2021	1,259	-	-	239	-	-	-	1,498
592	20/04/2021	-	11	-	113	-	-	-	124
593	20/04/2021	-	11	-	63	-	-	-	74
594	20/04/2021	-	36	-	292	-	-	-	328
595	20/04/2021	-	11	-	12	-	-	-	23
596	20/04/2021	-	11	-	101	-	-	-	112
597	20/04/2021	-	11	-	89	-	-	-	99
598	28/04/2021	-	7	-	63	-	-	-	70
599	20/04/2021	-	36	-	76	-	-	-	111
600	16/04/2021	-	175	-	63	-	-	-	239
601	3/02/2011	-	-	-	-	-	567	-	567
602	9/06/2020	5,101	5,094	-	-	-	-	-	10,195
603	28/03/2003	-	40,478	19,360	-	-	-	-	59,839
604	14/10/2020	-	2,606	-	-	-	-	-	2,606
605	17/10/2018	-	-	-	-	-	-	-	-

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
606	19/11/2009	-	6,951	6,314	-	-	-	-	13,265
607	16/03/2010	-	25,340	14,482	-	-	-	-	39,822
608	27/04/2021	-	-	-	-	-	-	-	-
609	18/08/2019	-	3,985	-	-	-	-	-	3,985
610	5/01/2021	-	2,120	-	-	-	-	-	2,120
611	19/07/2017	-	5,295	-	-	-	-	-	5,295
612	18/03/2019	-	5,812	-	-	-	-	-	5,812
613	6/10/2019	-	6,509	-	-	-	-	-	6,509
614	13/05/2019	-	9,089	-	-	-	-	-	9,089
615	17/07/2019	-	-	-	-	-	-	-	-
616	9/09/2019	-	6,597	-	-	-	-	-	6,597
617	21/01/2020	-	5,072	-	-	-	-	-	5,072
618	27/04/2020	-	2,778	-	-	-	-	-	2,778
619	22/06/2020	-	3,512	-	-	-	-	-	3,512
620	16/01/2021	-	1,209	-	-	-	-	-	1,209
621	3/11/2020	-	1,855	-	-	-	-	-	1,855
622	17/11/2020	-	1,941	-	-	-	-	-	1,941
623	1/12/2020	-	526	-	-	-	-	-	526
624	5/01/2021	-	1,264	-	-	-	-	-	1,264
625	2/02/2021	-	913	-	-	-	-	-	913
626	26/01/2021	-	1,063	-	-	-	-	-	1,063
627	9/03/2021	-	537	-	-	-	-	-	537
628	20/04/2021	-	11	-	-	-	-	-	11
629	19/04/2021	-	14	-	-	-	-	-	14
630	28/04/2021	-	10	-	-	-	-	-	10
631	4/05/2021	-	-	-	-	-	-	-	-
632	27/04/2021	-	-	-	-	-	-	-	-
633	20/04/2021	-	-	-	-	-	-	-	-

A4 Does the Company owe money to its employees?

(In USD)

Employee's Code ⁽¹⁾	Start date	Wages	Holiday pay	Long service leave	Superannuation	Redundancy	Other	Tick if director	Total
634	27/04/2021	-	-	-	-	-	-	-	-
635	27/04/2021	-	-	-	-	-	-	-	-
636	27/04/2021	-	-	-	-	-	-	-	-
637	4/05/2021	-	-	-	-	-	-	-	-
638	6/04/2021	-	-	-	-	-	-	-	-
639	4/05/2021	-	-	-	-	-	-	-	-
640	4/05/2021	-	-	-	-	-	-	-	-
Total		576,039	7,298,176	2,111,773	447,594	-	881,299		11,314,881

⁽¹⁾ Employee 187 and 213 are directors

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)		Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Account Payables								
4Branding		4Branding 16/22 Railway Road Subiaco, Australia	admin@4branding.com.au					229
A Class Metal Finishers Pty Ltd		Finishers A Class Metal 6-8 Waddikee Road Lonsdale, Australia						127
A Noble & Son Ltd		A Noble & Son Ltd PO Box 93 Salisbury, Australia						667
A&Zak Powertool Repairs Pty Ltd		Zlatko Krneta 420 Anzac Highway Camden Parksa, Australia	Anzakpowertool@gmail.com					82
A1 Mechanics Kewdale		A1 Mechanics Kewdale PO Box 908 Kalamundawa, Australia						412
Abrasive Blasting Service & Supplies Pty Ltd		Absb 18 Beckett Avenue Melbourne, Australia	Accounts@Absb.Net.Au					64
Adelaide Cleaning Equipment Pty Ltd		Cleaning Equip Adelaide T/A Spitwater Sa Wingfieldsa, Australia	Anthony@Spitwatersa.Com.Au					389
Adelaide Hydraulics Pty Ltd		Adelaide Hydraulics 1164 Old Port Road Royal Parksa, Australia						975
Adelaide Packaging		Adelaide Packaging PO Box 17 ExPORT Parksa, Australia						557
Adsteel Brokers		Adsteel Brokers 69/71 O'Sullivan Beach Road Lonsdale, Australia		201206270029679		X		787
Advanced Laser Signs		Advance Laser Signs 34-40 Bennet Avenue Melrose Parksa, Australia						116

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Advanced Mine Performance Training Services Pty Ltd	Ampt Services 49 Reserve Drive Mandurah-, Australia	Csmith@Ampt.Com.Au					5,198
Aetec Pty Ltd	Aetec Pty Ltd PO Box 342 WelshPOOL Dcwa, Australia						1,192
AF Drill Techniques Instrumentation Corp	AF Drill Techniques Instrumentation Corp B4 L1 Mabolo Street AntiPOlo City-, Australia						25,661
Afgri Equipment Australia Pty Ltd	Jeanette Durrant 80 Great Eastern Hwy South Guildfordwa, Australia	Admindebtor@Afgri.Com.Au					29,943
Afkos Industries	Afkos Industries PO Box 589 Balcatta, Australia	J.Afkos@Afkos.Com.Au					23,396
Agility Logistics Pty Ltd (Australia)	Michael Bacarella 28-32 Sky Road Melbourne AirPORT Victoria-, Australia	Mbacarella@Agility.Com					10,404
Air Liquide Canada, Inc.	Air Liquide Canada, Inc. Locked Bag 2000 Sunshinevic, Australia						-
Airdrill Pty Ltd T/A Schramm Australia	Airdrill Pty Ltd T/A Schramm Australia 35 Sudbury Street Darraql, Australia						28,949

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Airland Logistics Pty Ltd	Airland Logistics PO Box 368 WelshPOOL Dcwa, Australia						6,382
Airsafe	Airsafe PO Box 347 Perthwa, Australia	Admin@Airsafe.Com.Au					339
Ajf Electrical Distributors P/L	Brian Lawrence PO Box 239 Kilburn Northsouth Australia, Australia	Brian@Roycecrossgroup.Com					73
Alcolizer Technology	Technology Alcolizer PO Box 1856 Cleveland Dcql, Australia						249
Alfa Engineering Pty Ltd	Engineering Alfa 6 Orchard Avenue Midvalewa, Australia	Sales@Alfa.Net.Au					377
All Terrain Services	All Terrain Services PO Box 240 WelshPOOL Bcwa, Australia						2,363
Allied Heat Transfer International	Allied Heat Transfer PO Box 1182 Canningvalewa, Australia						1,664
Allmyne Consulting And Training Services Pty Ltd T/A Create A Sign	Allmyne Consulting And Training Services Pty Ltd T/A Create A Sign 17 Leichhardt Dc Moranbahqld, Australia						418
Alltech Sweepers And Scrubbers	Roxanne Jones 36 Kesters Road Para Hills Westsa, Australia	Admin@Alltechsweepers.Com.Au					364

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
American Express	Sydney01 American Express Cor GPO Box 5087 SydneyNSW, Australia						5,579
Anrad Engineering Pty Ltd	Trent Brickley 26 Hawkins Place EmeraldQld, Australia	Admin@Anradengineering.Com					3,806
Anthony Squire Diesel Services	Diesel Svc Anthony Squire PO Box 174 EdwardstownSA, Australia	Info@AnthonySquireDiesel.Com.Au					1,132
Arentz & Kkg Engineering Pty Ltd	Engineering Arentz & Kkg PO Box 19 EdwardstownSA, Australia	Kevin.Royals@Arentzeng.Com.Au					59,159
Arrow Geosciences Pty Ltd	Theo Aravanis 2Viewgrand Way MelbourneVictoria, Australia	Taravanis2011@gmail.Com					1,048
Asa Products Pty Ltd	Asa Products 4/15 Bentley St WilliamstownVIC, Australia	Chris.Kennedy@Asahydraulik.Com					106
Ashdown Ingram	106672 Glanda Kalapac Ashdown - Ingram ArcherfieldQld, Australia						15,140
Ashley Benoit & Co	& Co Ashley Benoit Unit A, 62-70 Silverwater Rd SilverwaterNSW, Australia	Sales@Ashleybenoit.Com.Au					698
Assent Engineering Pty Ltd	Tony Graham 635 Dundas Road Perthwestern Australia, Australia	Accounts@Assentengineering.Com.Au					13,117
Associated Gritblasters	Devlin Venn 10 Dunorian Rd EdwardstownSA, Australia	Associatedgritblasters10@gmail.Com					407
Atco Structures & Logistics Pty Ltd	138162 Atco Structures PO Box 1171 Browns Plains BcQld, Australia	Kandrades@Atcosl.Com.Au					-
Atom Supply	Atom Supply PO Box 1141 CloverdaleWA, Australia						27
Ausco Modular Pty Ltd	Ausco Modular PO Box 41 GoodnaQld, Australia		201202020129977 201203090000649		X		1,386
Aussie Crates Wa Pty Ltd	Aussie Crates Wa Pty 244 WelshPool Road WelshPoolWA, Australia	Sales@Aussiecrates.Com.Au					318

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Australand	Australand Level 14, Southbankvic, Australia						-
Australasian Mining Services	Mining Australasian PO Box 2380 Midlandwa, Australia	Angie.Eyles@Austms.Com					38,598
Australian Drilling Industry Association Ltd	Lane Cove Australian Drilling PO Box 742 Lane Covensw, Australia						2,795
Australian Exploration Engineering	Exploration Australian PO Box 691 WelshPoolwa, Australia	Enquiries@Austexeng.Com.Au					-
Australian Mud Co	Australian Mud Co 5 Pitino Court Osborne Parkwa, Australia						104,762
Australian Securities & Investments Commission	Asic Locked Bag 5000 Gippsland Mail Ctrvic, Australia						189
Australian Warning Systems Pty Ltd	Systems Aus Warning 14-16 Wedgewood Road Hallamvic, Australia	Accounts@Warningsystems.Com.Au					219
Aveling	Jandakot Aveling 6 Orion Road Jandakotwa, Australia	Training@Aveling.Com.Au					2,129
Baker Hydraulics Pty Ltd	David Bland PO Box 54 Edwardstownsa, Australia	Dbland@Baker-Hyd.Com.Au					44,644
Baxters Pty Ltd	Baxters 10 Kingston Park Court Knoxfieldvic, Australia						269
Bds Mechanical Repairs Ltd	Belinda Oberle 19 Theodore Rd Mouraql, Australia	Mouraaccounts@Bdsmechanical.Com.Au					169
Beijing Superjet Drilling Equipment	Beijing Superjet Drilling Equipment, Room 2601, E2, No.12 Yumin Road, Chaoyang District, Beijing 100029, Beijing, China						27,619
Bgc (Australia) Pty Ltd	Robert Turkovic 77 Vulcan Road Perthwestern Australia, Australia	Smr@Bgc.Com.Au					20,717

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Bjk Mechanical Pty Ltd	Mechanical Ryans Ryans Mechanical Contracting Kalgoorlie, Australia	Nugget@Ryansmechanicalcontracting.Com.Au				389
BI Shipway & Co Pty Ltd - Ryco Hose	BI Shipway & Co Pty PO Box 330 Marltonsa, Australia		201306280020700 201306280057039	X		16,090
Black Diamond Drilling Services Australia Pty Ltd	Drilling Services Black Diamond 52 Distinction Road Wangarara, Australia	Admin@bdrill.Com.Au				14,695
Bm Alliance Coal Operations Pty Ltd	Bm Alliance Coal Operations Pty Ltd L 15 480 Queen St Brisbane, Queensland, 4000, Australia					32,057
Boart Longyear Poland Spolka Zoo (Poland)	Krzysztof Tarasek POpieluski 30 Katy Wroclawskie-, Australia					81
Boc Gases	Boc Gases PO Box 305 Marltonsa, Australia					5,833
Bosch Rexroth Pty Ltd	Bosch Aus Alan Taylor 3 Valediction Rd Kings Parksw, Australia	Alan.Taylor@Boschrexroth.Com.Au	201712120046680	X		33,893
Bournedrill Pty Ltd	Bournedrill PO Box 99 Brisbane Marketqld, Australia	Info@Bournedrill.Com.Au				343
Bpr Custom Engineering Pty Ltd	Bpr Custom Engineering Pty Ltd 53 Robinson Avenue Belmont, Australia					5,692
Bradtrac Pty Ltd	Stacey Mccarthy 39 Juna Drive Malagawa, Australia	Stacey.Bradtrac@Yahoo.Com				7,699
Bridgestone Australia	Bridgestone Australl PO Box 6020 Silverwater, Australia		201707270050957	X		445
Budget Car & Truck Rental	Australia Budget Car & Truck PO Box 876 Mascot, Australia					18
Bullivants	Adnan Tuka PO Box 517 Plumpton, Australia	Adnan.Tuka@Bullivants.Com				3,189
Bunnings Group Ltd	Account # 388838 Bunnings Group Account # 388838 Browns Plains, Australia					3,771

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Burson Automotive Pty Ltd	Burson Automotive Pty Ltd PO Box 8251 Northlandvic, Australia					3,845
Bw Truck	Bw Trucks PO Box 1904 Wangarawa, Australia					1,902
Capital Transport Services (Sa) Pty Ltd	TransPort Sa Capital PO Box 1168 Huntingdalevic, Australia					252
Caps Australia Pty Ltd	Caps Australia Pty L PO Box 936 Cloverdalewa, Australia		201401310239503		X	2,408
Castrol Australia Pty Ltd Sa	Anton Juric P O Box 151 PORT Adelaide, Australia	Anton.Juric@Castrol.Com.Au	201812210067851		X	4,341
Cavpower Pty Ltd	A Elstob P O Box 84 Enfield Plazasa, Australia		202005250072411		X	128
Cbc Australia Pty Ltd Wa	Cbc Australia PO Box 2067 Malagawa, Australia	Cbkewdale@Conbear.Com				389
Cbc Bearings Power Transmission	Power Trans Cbc Bearings PO Box 2406 Regency Parksa, Australia					122
Cd Power	Cd Power Central Diesel Cd Power Pty Ltd Wingfields, Australia	Info@Centraldiesel.Com.Au				284
Centurion Transport	Centurion TransPOrt PO Box 3333 Bassendeanwa, Australia					1,109
Century Engineering Pty Ltd	Engineering Century 95 Womma Road Edinburgh Northsa, Australia	Dhewitson@Cenman.Com.Au				17,370
Chain And Drives Australia Pty Ltd	Chain And Drives Aus PO Box 1343 Wangarawa, Australia					574
Chambers Family Trust T/A Hoseright	Hoseright 3/17 Prindville Drive Wangarawa, Australia	Glenn@Hoseright.Com.Au				2,987

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Charlton Morris Ltd	Jamie Sheard 34 Boar Lane Leeds, Australia	Ella.Atkinson@Charltonmorris.Com				15,177
Citadel Magnus Pty Ltd	Citadel Magnus Level 15, 61 York Street Sydney, Australia	Cwomer@Citadelmagnus.Com				1,366
Civil Safety Pty Ltd T/A Civil Safety	Civil Safety Pty Ltd T/A Civil Safety Bibby Financial Services Australia Pty Limited					424
Cjd Equipment Pty Ltd	Strawberry Hill, NSW, Australia Cjd Equipment Pty Ltd Kenworth Daf Wa -Wa, Australia					-
Clinipath Pathology	Pathology Clinpath 647 Murray Street West Perth, Australia					80
Coastal Midwest Transport	Att Robert Lee PO Box 557 Cloverdale, Australia					24,117
Coates Hire	101356 Melbourne Coates Hire PO Box 5120 Melbourne, Australia		201808080065458 201808080066899	X		4,950
Codium Pty Ltd	Codium Pty Ltd L3, 169 Pirie Street Adelaide, Australia	Eric@Codium.Com.Au				1,567
Comet Transport (Wa) Pty Ltd	Comet Transport (Wa) Pty Ltd PO Box 375 WelshPool Dcwa, Australia					3,897
Comexas Airfreight Nv	Alexis Mellen Merksemsebaan 280 Wijnegem, Australia	A.Mellen@Comexasgroup.Com				518
Complete Envirotec Pty Ltd	Envirotec Complete PO Box 2336 Boulderwa, Australia	Debbie.Beccaria@Completeoils.Com				1,335
Compressed Air Safety Valve Services Pty Ltd	Daniel O'Rourke 25 Littlemore Way Eden Hillwa, Australia	Casvs@Bigpond.Com				2,494
Compressor Valve Services Pty Ltd	Net60 Donna McQueen PO Box 752 Balcatta, Australia	Comvalve@Bigpond.Net.Au				1,511
Condamine Drilling Pty. Ltd.	Condamine Drilling P 478 Boundary Street Toowoomba, Australia					5,818

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Consolidated Training Services	Training Consolidated PO Box 3399 Successwa, Australia	Accounts@Consolidatedtraining.Com.Au					3,103
Cook Industrial Minerals Pty Ltd	Sandra Barry Lot 21 Cutler Rd Jandakotwa, Australia	Sandra@Cim-Pl.Com.Au					22,249
Cooper Fluid Systems	Cooper Fluid Systems PO Box 63 Morleywa, Australia						4
Coventry Group Limited	110052 Graham Buchholz GPO Box 2443 Adelaidesa, Australia						26,216
Cows Parts Pty Ltd T/A Cows	110055 Laszlo Harsanyi 13 - 39 Pilibara Street WelshPOOLwa, Australia						666
Crane Services Pty Ltd	Andrew Hodnett 50-52 Francis Road Wingfieldsouth Australia, Australia	Accounts@Craneservices.Com.Au					699
Crommelins Machinery	-Machinery Crommelins PO Box 352 Bentleywa, Australia	Email@Crommelins.Com.Au					355
Cross Hydraulics	Hydraulics Cross PO Box 1345 Clayton Southvic, Australia	Sales@Crosshydraulics.Com.Au					951
Ctn Engineering Pty Ltd	Ctn Engineering PO Box 220 Quinns Rockswa, Australia						-
Cummins Diesel Sales & Service	Pacific Cummins South PO Box 693 Penrithnsw, Australia	Russell.Thompson@Cummins.Com					3,626

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Custom Fluid Power Pty Ltd	Power Custom Fluid PO Box 230 Canningtonnsw, Australia						2,920
Damco Australia Pty Ltd	Joelle Mak 53 Harrick Road Kellor Parkvic, Australia						72,669
Data #3	Data #3 67 High Street Toowongqld, Australia		201302270093036 201302270093058		X		462
David Lowery Diesel Repairs Pty Ltd	Diesel Repairs David Lowery 32 Cottonview Road Emeraldqld, Australia	Admin@Dldr.Com.Au					55
David Swindon Design	David Swindon 31 Robert St Croydonsa, Australia	Dave.Swindon@gmail.Com					12,298
Dean Weldon Enterprises	Dean Weldon Enterpri PO Box 781 Newmanwa, Australia						-
Deloitte Tax Services Pty Ltd	Deloitte Tax Services Pty Ltd GPO Box 1969 Adelaidesa, Australia						23,007
Dewitt Systems Incorporated	Dewitt Systems 320 Wild Iris Road Wilmingtonnc, Australia	Tina.Dewitt@Dewittsystems.Com					-
Dexion Balcatta	Balcatta Dexion PO Box 516 Balcattawa, Australia						2,793
Dg Air Freight Pty Ltd	Dg Air Freight Pty L PO Box 140 Botanynew South Wales, Australia						308
Dhl Express (Australia) Pty Ltd	Dhl Express (Australia) Pty Ltd GPO Box 7028 Sydneynewsw, Australia						7,749

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Dhl Global Forwarding (Australia) Pty Ltd	Australia Dhl Global 96-106 Link Road Victoria, Australia	Peter.Likos@Dhl.Com					1,977
Diesel Exhaust Systems	Diesel Exhaust Syste 17 Rosberg Road Wingfields, Australia						88
Dinki Di Engineering Pty Ltd	Engineering Dinki Di 10 Lucas Street Reynellasa, Australia	Dinkidi@Dinkidi.Com.Au					3,057
Diverse Machining & Tooling	& Tooling Diverse Machining 118 Rozelle Avenue Melrose Parksa, Australia	Dmt@Chariot.Net.Au					95,317
Don Kyatt Spare Parts Nt Pty Ltd	Don Kyatt Spare Parts Nt Pty Ltd PO Box 425 Palmerstonnt, Australia						359
Dotmar Epp Pty Ltd	Dotmar Epp Dotmar Engineering Plastic Products Regency Parksa, Australia	Dotsa@Dotmar.Com.Au					9,322
Downhole Surveys	Surveys Downhole PO Box 357 Bentleywa, Australia	Abutler@Downhole.Com.Au					27,570
Drilline Pty Ltd	Ryan Croll Lot 852 Shanks Rd Onslowwa, Australia	Accounts@Drilline.Com.Au					2,118
Dsi	Dsi PO Box 370 Charlestownsw, Australia						1,330
Dsv Air & Sea Pty Ltd	(Australia) Dsv Air & Sea PO Box 182 WelshPOOLwa, Australia	Info@Au.Dsv.Com					133,462
Dynamics G-Ex Pty Ltd	G-Ex Pty Ltd Dynamics Exploration House Gympieqld, Australia	Sales@Dynamicsgex.Com.Au	201506040013829		X		2,360
Dynapumps	Dynapumps 88 Belgravia St Belmontwa, Australia	Perth@Dynapumps.Com.Au					437
Ecospill Solutions	Ecospill Pty Ltd PO Box 5592 Brendale Bcqlld, Australia						2,734

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Elphinstone Group Pty Ltd	Ben Tholath 5 220 Star Street WelshPOOLwa, Australia	Accounts@Emsgroup.Net.Au					120,214
Epiroc Australia Pty Limited	Atlas Copco Australia PO Box 6134 Blacktown-, Australia						10,025
Ers Australia	Ers Australia GPO Box 5072 Brisbaneqld, Australia		201505130061973 201910010073324		X		827
Esafe Service Pty Ltd	Esafe Service Pty Lt PO Box 31 Prospectsa, Australia						774
Eureka 4 Wheel Drive Training	Eureka 4W/d Training PO Box 720 Armadalewa, Australia						1,425
Evolution Drill Rigs Pty Ltd	Evolution Drill Rigs Pty Ltd 2/145 Archerfield Rd, Richlands QLD 4077, Australia						1,557
Extreme Mining Services Pty Ltd	Mining Extreme 50 O'Neill Street Moranbahqld, Australia	Admin@Extrememining.Com.Au					437
Federal Express (Australia) Pty Ltd	Federal Express (Australia) Pty Ltd PO Box 656 Mascootsw, Australia						14,627
Ferguson Group Australia Pty Ltd	Ferguson Group 16 Alacrity Place, Henderson Perthwa, Australia	Info@Ferguson-Group.Com.Au					-

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Filter Discounters Pty Ltd	Filter Discounters Pty Ltd 3/9 Inspiration Drive Wangarara, Australia						2
Fine Choice Distribution Pty Ltd	Fine Choice Distribu PO Box 49 Mardena, Australia						85
Fire Suppression Services	Suppression Fire 59 Tacoma Circuit Canningvalewa, Australia						5,057
Fletcher Family Trust T/As Broderick W Co	Broderick Williams Unit 12 Level 1 – 420 Bagot Road Subiacowestern Australia, Australia	Accounts@Broderickwco.Com.Au					8,537
Flexidrill Construction Ltd	Flexidrill Construction Ltd 220 Lake Road Hauraki Auckland, 0622 New Zealand						4,503
Fluid Line Services	Fluid Line Services PO Box 2139 Boulderwa, Australia						954
Fmc Technologies	Fmc CorPOration PO Box 1377 Stephenvilletx, Australia	Sales.Pump@Technipfmc.Com					234
Followmont Transport Pty Ltd	105628 Followmont TransPOrt PO Box 423 Zillimereqld, Australia						39
For Love Of Coffee	Nadir Rabah 264 Gilbert St Adelalidesa, Australia	Sales@Forloveofcoffee.Com.Au					154

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Forgacs-Broens Pty Ltd	108920 Forgacs Broens PO Box 95 Elizabeth Southsa, Australia	R.Meruga@Broens.Com.Au					96
Freo Group Limited	Freo Group Loty 1580 Woodstock Road Newmanwa, Australia	Newman@Freogroup.Com.Au	201610100014415 201610100014458		X		2,250
Freudenberg Sealing Technologies Pty Ltd	Sealing Ludowici 42 Krenzow Road Brendalegld, Australia	Qld@Ludowiciseals.Com.Au					3,995
Galjo Pty Ltd T/A East Pilbara Tyre Service	Galjo Pty Ltd T/A East Pilbara Tyre Service PO Box 94 Newmanwa, Australia						1,220
Garpen Pty Ltd	Joe Gardner 200 Collier Road Bayswaterwestern Australia, Australia	Sales@Garpen.Com.Au					1,814
Gcs Global Communication Services	Gcs - Global Communi PO Box 2272 Boulderwa, Australia						7,521
Gentronics	Gentronics 12-14 Adams Drive WelshPOolwa, Australia						45
Geographe Enterprises Pty Ltd	Geographe Enterprise PO Box 5035 Bunburywa, Australia						66
Global Dth	Ben Langford PO Box 2411 Mandurah Dcwestern Australia, Australia	Ben@Globaldth.Com					69,547
Goldfields Auto Spares	107535 Amanda Usher PO Box 1422 Kalgoorliwa, Australia						1,451
Goodyear & Dunlop Tyres (Aust) Pty Ltd T/A Beaurepairs For Tyres	Jodi Erdmanis PO Box 224 Somertonvic, Australia		201309230062220		X		29
Gordon Laing Sales Pty Ltd	Gordon Laing Unit 6, 36/38 Tikalara St Regency Parksa, Australia	Sales@Gordonlaingsales.Com.Au					6,269
Gulf General Freight	Lorraine Wheatley 40910 Bruce Highway Yabulugld, Australia	Ggf.Accounts@Bigpond.Com					-

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Gyromax Pty Ltd	Simon Williams PO Box 636 Kalamundawa, Australia	Accounts@Gyromax.Com.Au					17,279
Hallite Seals Australia Pty Ltd T/A Hallite Transeals	Hallite Transeals PO Box 91 Seven Hillsnsw, Australia						1,409
Harlsan Industries	Harlsan Industries PO Box 1587 Kalgoorlie-, Australia						4,646
Hartech Pty Ltd	Matthew Lehman Unit 7, 34 Adam Street Hindmarshsa, Australia	Hartech@Bigpond.Com					3,761
Hatz Australia Pty Limited	Jeff Doughman 7 Hume Road Smithfieldnsw, Australia	Jdoughman@Hatz.Com.Au					20
Hawe Hydraulics Australia Pty Limited	Australia Hawe Hydraulics 5/83-85 Montague St North Wollongongnsw, Australia	Info@Hawe.Com.Au					175
Hays Specialist Recruitment	Hays Specialist Recr GPO Box 3868 Sydneynsw, Australia						8,777
H-E Parts International Mining Solutions Cooling Division Pty Ltd.	H-E Parts International Mining Solutions Cooling Division Pty Ltd. 62-64 Union Circuit Yatalaql, Australia						224
Hertz Australia	Australia Hertz PO Box 181 South Melbournevic, Australia						11,676
Hms Servicing Pty Ltd T/A Hetronic Australasia	(Hetronic) Jill Howard 59 Glenwood Drive Thorntonnsw, Australia	Jill.Howard@Hms-Group.Com.Au					5,422
Hoppers Stoppers Pty Ltd	Hoppers Stoppers Pty Ltd 9 Nevada Court Hoppers Crossingvic, Australia						1,032
Hubtex Australia Pty Limited	Hubtex 32-36 Victoria Street Riverstonnsw, Australia	Info@Hubtex.Com.Au	201502120071101		X		1,542
Hurtownia Kuba Kedzior I S-Ka Spolka Jawna	Tomasz Kedzior Bagienna 12 Legnica-, Australia	Tomasz.Kedzior@Kuba.Com.Pl					12
Hydac Pty Ltd	Hydac Pty Ltd 109-111 Dohertys Road Altona Northvic, Australia	Saleswa@Hydac.Com.Au					7,045

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Hydair Drives Fluid Power Systems	Hydair Drives Fluid PO Box 439 Belmontwa, Australia						962
Hydroil Pty Ltd	Hydroil Pty Ltd 64 Audley Street Woodville Northsa, Australia						2,821
Ian Diffen The Tyre Factory	Tyre Factory Ian Diffen-City Discount Tyres Unit 6 Joondalupwa, Australia	Joondalup@Citydiscountryres.Com.Au					5,683
Ifm Efector Pty Ltd	Ifm Efector Pty Ltd 3/745 Springvale Road Mulgravevic, Australia	Sales.Au@ifm.Com					10,004
Image Alloy Cases Pty Ltd	Cases Image Alloy 44 Pilbara Street WelshPOolwa, Australia	Jez@Imagealloycases.Com.Au					68
Inflatable Packers International Pty Ltd	Inflatable Packers International Pty Ltd 1 Pitino Ct Osborne Park, WESTERN AUSTRALIA , 6017 Australia						528
Innomation Pty Ltd	Keith Morton PO Box 1364 Golden Grove Villagesa, Australia	Keith.Morton@Innomation.Com.Au					2,766
Instant Windscreens	Instant Windscreens PO Box 1170 Osborne Park-, Australia						424
J Blackwood & Son Limited	123358 Glenn Turner 7-19 Tikalara Street Regency Parksa, Australia	Glenn.Turner@Blackwoods.Com.Au					346,187
James Walker Australia Pty Ltd	Australia James Walker PO Box 513 Chester Hillnsw, Australia	Sales.Jwau@Jameswalker.Biz					999
Jb Precise Engineering	Jb Precise Engineeri Unit 2 -Wa, Australia	Jb.Precise@Gmail.Com					2,710
Jurgen Feldkamp	Jurgen Feldkamp 51 Dulwich St, Beckenham Perthwa, Australia	Jurgenfeldkamp@Yahoo.Com.Au					2,151

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
K92 Mining Ltd	K92 Mining Ltd L5 Defens Haus Cnrr of Hunter St & Champion Pde Port Moresby NCD , 121 Papua New Guinea						263,386
K & A Laird Wa Pty Ltd	K & A Laird (Wa) Pty PO Box 400 Guildfordwa, Australia	Chris@Lairdwa.Com.Au					16,415
K West Haulage	Kw Haulage PO Box 271 Pembertonwa, Australia	Kwest7@Bigpond.Com					53,054
Kalgoorlie Case & Drill Pty Ltd	Kalgoorlie Case & Dr PO Box 2420 Boulderwa, Australia						14,441
Kay, Robin Charles T/A Harika Technology	Robin Kay L29 Forrest Centre Perthwa, Australia	Rkay@Harika.Com.Au					11,615
Konecranes And Demag Pty Ltd	Gail Wouters 7 Barrel Way Canning Valewa, Australia	Accrec.Au@Konecranes.Com					1,308
Korn Ferry (Au) Pty Ltd	Shanik Lokuge Aurora Place Level 18, 88 Phillip Street Sydney NSW, Australia	Shanik.Lokuge@Kornferry.Com					3,913
Kp Engraving Pty Ltd T/A Kp Sales	Chris Dwyer 52 West Thebarton Road Thebartonsouth Australia, Australia	Chris@Kpsales.Com.Au					1,381
Kurt Krogoll	Kurt Krogoll -, Australia						84

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Landauer Australasia Pty Ltd	Australasia Landauer Locked Bag 7002 Parramattawa, Australia	R.ippolito@Landauer.Com.Au					763
Lasercut Solutions	Lasercut Solutions 27 Aldenhoven Road Lonsdale, Australia						98
Lawrence & Hanson	Account #07606 Boar 1260 South Road Clovelly Parksa, Australia						-
Lfa First Response	Lfa First ResPOnse 98 Byfield Street Northamwa, Australia						259
Lift Rite Hire & Sales	Lift Rite Hire & Sal PO Box 1362 Canning Valewa, Australia						7,897
Link Market Services	Link Market Services PO Box 20013 Sydney, Australia						7,619
Locker Group Pty Ltd	Locker Group Pty Ltd PO Box 4102 Milperriansw, Australia		201510120069607		X		99
Lsa Bernadini Pty Ltd	Perth Sales Lsa PO Box 103 Midlandwa, Australia	Orderswa@Lsaols.Com.Au					33,952
Maddison Engineering Pty. Ltd.	Paul Harris PO Box 370 Sheppartonwestern Australia, Australia	Accounts1@Allwesteng.Com.Au					267
Mainfreight International Pty Ltd	International Mainfreight PO Box 2236 Regency Parksa, Australia	Adlaccounts@Mainfreight.Com.Au					108,074

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Major Motors Pty Ltd	Demeiza Sands 789 Abernethy Road Forrestfieldwa, Australia						556
Mantaworks Pty Ltd	Mantaworks Pty Ltd 3 Seaview Grove Blair Atholsa, Australia						305
Manuli Fluiconnecto Pty Ltd	Fluiconnecto Manuli 18 Commercial Drive Dandenongvic. Australia	Zoran.Saric@Fluiconnecto.Com.Au					5,395
Marsden Industries Pty Ltd T/A Technical Urethanes	Urethanes Technical Unit 3A, 28 Maxwell Rd Para Hillissa, Australia	Sales@Technicalurethanes.Com					44
Martins Trailer Parts Pty Ltd	Martins Trailer Part 4 Katanning Street Bayswaterwa, Australia						357
Matchtec Hydraulics	Matchtec Hydraulics Unit 2, 5 Mulgul Road Malagawa, Australia						673
Matkaylajay Transport Pty Ltd Ta Mlj Logistics	Warren Richards PO Box 2205 Rockinghamwestern Australia, Australia	Warren@Mljlogistics.Com.Au					3,828

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Mbl Australasia Pty Ltd	Australasia Mbl Unit 1, 26 Cohn Street Carlislewa, Australia	Sales@Mblaust.Com.Au					681
Macdonald Contracting	Macdonald Contracting 25 Nelson Street Feilding , 4702 New Zealand						566
Mcewan Enterprises Pty Ltd T/A Quick Bits Kalgoorlie	Quick Bits Kalgoorlie PO Box 2555 Boulderwa, Australia	Quickbits.Kal@Bigpond.Com					8,872
Mcintosh & Sons	Mcintosh & Sons 547 Great Eastern HWay Redcliffewa, Australia						7,372
Mei Group Pty Ltd T/A Mammoth Equipment & Exhausts Pty Ltd	Mammoth Equipment & PO Box 23 Kalanniewa, Australia						715
Metzke Engineering	123641 Julian Burt 27 Coulson Way Canningvalewa, Australia	Mark@Metzke.Com.Au					2,427
Mincon Australia Pty Ltd	(Rocky) Abc Products PO Box 5749 Rockhamptonqld, Australia	Gmckey@Abrocky.Com.Au					31,812
Mineparts And Seals Pty Ltd T/A Seal Solutions Australia	And Seals Mineparts Unit 1, 11 Karraatha Street WelshPOolwa, Australia	Orders@Minepartsandseals.Com.Au					91

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Mini Tankers Australia Pty Ltd	Australia Pty Ltd Mini-Tankers PO Box 905 Pymble Bcsw, Australia	Enquiries.Nsw.Act@Refuellingsolutions.Com.Au				2,783
Mm Electrical Merchandising	Merchandising Mm Electrical Unit 1/1 Cressall Road Balcattawa, Australia		201205210041683 201812110073250	X		598
Motion Industries	Motion Industries PO Box 98412 Chicagoil, Australia					19,839
Motion Technologies Pty Ltd	Motion Technologies PO Box 2461 Taren POIntnsw, Australia					2,908
Mtq Engine Systems Aust Pl	Debbie PO Box 322 Acacia Ridgeqld, Australia		201901240055003	X		2,801
Mudex Pty Ltd	Mudex Pty Ltd PO Box 2545 Ellenbrookwa, Australia					131,203
Mulhern'S Environmental Pty Ltd	Environmental Mulhern'S 8 - 10 Tolley St Wingfieldsa, Australia	Liz@Pauldbear.Com.Au				1,578
Murlaw Pty Ltd T/As Ausco Products	Murlaw Pty Ltd 273 Camboon Road Malagawa, Australia	Enquiries@Auscoproducts.Com.Au				41
Nairme Engineering & Hydraulics	Att: Tomo Kiseli PO Box 547 Nairnesa, Australia					1,161
Nara Training And Assessing Pty Ltd	Training Nara 26 Clifford Street Bunburywa, Australia	Admin@Naratraining.Com.Au				185
National Drilling Equipment	Equipment National Drilling 27 Walters Way Forresfieldwa, Australia					35,066
Newman Tyre & Batteries	Cricklewood Newman Tyre PO Box 287 Newmanwa, Australia	Accounts@Newmantyres.Com.Au				2

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Nhp Electrical Engineering Products Pl	Engineering Nhp Electrical 36-38 Croydon Rd Kewicksa, Australia	Nhpsales@Nhp.Com.Au				-
Noack Electrical Services Pty Ltd	Electrical Noack PO Box 5 Herne Hillwa, Australia	Accounts@Noackes.Com.Au				207
Nordon Hydraulics Pty Ltd	Nordon Hydraulics Pty Ltd T/As Nordon Cylinders Brendalegld, Australia	Sales@Nordoncyl.Com.Au				300
Normet Asia Pacific Pty Ltd	Pacific Normet Asia PO Box 772 Torrensвилle Plazasa, Australia		201706080061151		X	15,883
North East Isuzu	T/A Ne Isuzu Capem Pty Ltd Cnr Pt Wakefield & Waterloo Cnr Road Burtonsa, Australia	Dania@Neisuzu.Com.Au				1,873
Notch Holdings Pty Ltd	Notch Holdings Pty Ltd 112 Bluestone Cct Seventeen Mile Rocks, QUEENSLAND, 4073 Australia					633,229
Oem Group Pty Ltd	Oem Group Pty Ltd P O Box 3233 Bassendean Dcwa, Australia					2,814
Offroad Trucks Australia Pty Ltd	Ap Contacts PO Box 342 Forrestfieldwa, Australia					12,607
Olipath Hydraulics Pty Ltd	Hydraulics Olipath PO Box 132 Edwardstownsa, Australia	Mbrincat@Olipathhydraulics.Com.Au				3,335
Omnilogix Pty Ltd T/A Omnilogix Automation	136708 Omnilogix 8 Rose Street Gilbertonsa, Australia	Accounts@Omnilogix.Com.Au				14,037
Onsite Skills Pty Ltd	Hayden Fleay 14A Shoal Court Perthwestern Australia, Australia	Haydenfleay@Hotmail.Com				24,097
Outback Mining Services Pty Ltd	Jared Davies Lot 8 Highway 1 POrt Augustasa, Australia	Accounts@Outbackmining.Com.Au				1,045

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Ox Engineering Pty	119177 Ox Engineering 42 Cooper Road Jandakotwa, Australia					8,252
Panasmart Pty Ltd	Nathan Pace Unit 5, 62 66 Newton Road Sydney NSW, Australia	Accounts@Panasmart.Com.Au				165
Parker Hannifin (Australia) Pty Ltd	Australia Parker Hannifin Private Bag 4 Castle Hill NSW, Australia	Customer.Service.Au@Parker.Com				1,555
Partout Pty Ltd T/A Statewide Bearings	Statewide Partout T/A 5 Darcy Lane Boulderwa, Australia	Hellriegel.M@Statewidebearings.Com.Au				2,759
Penske Power Systems Pty Ltd	Penske Power Mtu Detroit Diesel Locked Bag 98 Moorebank NSW, Australia	Perthparts@Penskeps.Com	201202200024821 201202200024832	X		37,408
Peter Cochrane Management Pty. Ltd.	Peter Medly 70 88 Bedford St Gillmansa, Australia	Accounts@Cochranes.Com.Au				5,787
Phoenix Metalform	Phoenix Metalform 99-105 Mc40Dowell Street WelshPOOLwa, Australia	Orders.Desk@Phoenixmetal.Com.Au				2,261
Powercrank Batteries Pty Ltd	Powercrank Batteries Pty Ltd 340 Orrong Road WelshPOOLwa, Australia					3,694
Powerpak Packaging	Powerpak Packaging PO Box 690 Bentleywa, Australia					434
Ppg Industries Australia Pty Limited	Diana Smith GPO Box 4102 Sydney NSW, Australia	Dianasmith@Ppg.Com				5,296
Precision Mining And Drilling Pty Ltd	Alignment Eqp Precision 130 Mulgul Rd Malagawa, Australia	D.Miite@Precisionae.Com.Au	202002100057354	X		72,304
Proofload Pty Ltd	Proofload 35 Resource Way Malagawestern Australia, Australia	Admin@Proofload.Com.Au				1,423

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Pumps Australia Pty Ltd	David Baron 212 WelshPool Road WelshPoolwestern Australia, Australia	Admin@Pumpsaustralia.Com.Au					2,249
Q Cut Profile Cutting Service	Cutting Service Q Cut Profile 4 Jonal Drive Cavansa, Australia	Elle@Qcut.Com.Au					80
Quality Production Engineers Pty Ltd	Quality Production E 1 Maritime Crt Wingfieldsa, Australia						3,714
Quarry Mining & Construction Equipment	Quarry Mining & Cons 9/14 Yangan Drive Beresfieldnsw, Australia	Orders@Quarrymining.Com					504
Quick Corp	Quick CorpOrate PO Box 250 Belmontwa, Australia						3,415
R E Tooling Pty Ltd	Bob Sitters Unit 8, 12 Mcgowan Road POorakasa, Australia	Bob@Retooling.Com.Au					1,831
R Hood Trust T/A Commercial Stationery Office National	Dayna Hood 11 Dellamarta Road Wangara-, Australia						630
Randstad Pty Ltd	Randstad Pty Ltd Finance Department SydneyNSW, Australia						12,779
Ranger Exploration Drilling Pty Ltd	Ranger Exploration Drilling Pty Ltd 11 Prosperity Ave, Wangara WA 6065, Australia						458,271
Rapallo Pty Ltd	Rapallo Pty Ltd PO Box 1123 KalgoorlieWA, Australia						8
Realport Traders Pty Ltd	Laenet Goudas Unit 2 12 Streiff Road Wingfeildsa, Australia	Sales@Realport.Com.Au					904

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Redimed Pty Ltd	Redimed Pty Ltd PO Box 3008 Joondalupwa, Australia						23,223
Redridge Transport Pty Ltd As Trustee For Mosina Family Trust	Paul Mosina 70 Oroya Street Boulderwestern Australia, Australia	Paul@Redridgetransport.Com					7,205
Reflex Instruments Asia Pacific Pty Ltd	Kerry Wesley 5 Pitino Court Osborne Parkwa, Australia		201202010261360 201505120042518 201603220058750 201603220059169 201705040044015		X		107,044
Richmond Wheel & Castor Co	Richmond Wheel PO Box 1101 South Claytovic, Australia						1,687
Risk Solutions Australia Pty Ltd	Risk Solutions PO Box 458 Moorabbinvic, Australia	Info@Workpro.Com.Au					419
Rocktech Pty Ltd	Pty Ltd Rocktech PO Box 10475 Kalgoorliewa, Australia	Rocktech@Rocktech.Net.Au					2,566
Romine Holdings Pty Ltd T/A Wren Oil	113519 Romine Holdings Pty PO Box 50 Pictonwa, Australia						1,016
Rototech Pty Ltd	Neil Stewart 34-36 Kinkaid Ave North Plymptonsa, Australia	Mail@Rototech.Com.Au					46,383

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Royal Wolf Trading Australia Pty Ltd	Royal Wolf Trading A 160 Churchill Rd North Cavansa, Australia		201509220080288		X		362
Rs Components Pty Ltd	Australia Rs CompOnents PO Box 6864 Wetherill Parknsw, Australia						906
Rsea Safety Pty Ltd	Antoinette D'Angelo 87 CorpOrate Drive Melbournevic, Australia	Receivable@Rseasafety.Com.Au					216
Ryco Hydraulics Pty Ltd	Ryco Hydraulics Pty Ltd 99 Calarco Drive Derrimutvic, Australia		201202020045101 201901300048629		X		89,441
Sa Tractors Pty Ltd	Sa Tractors Pty Ltd PO Box 304 Enfieldsa, Australia						169
Sadlairs Transport Co (Wa) Pty Ltd	Sadlairs TransPORT Co (Wa) Pty Ltd PO Box 247 Cloverdalewa, Australia						4,141

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Safeman Pty Ltd	Pty Ltd Safeman 23 Colin Jamieson Drive WelshPOOLwa, Australia	Adamc@Safeman.Com.Au					8,591
Saferight Pty Ltd	Brandon Lai 42 Belmont Avenue Belmontwa, Australia	Accounts@Saferight.Com.Au					-
Safety Supplies On Site	Safety Supplies On S PO Box 400 Mt Compasssa, Australia						312
Sage Automation Pty Ltd	Sage Automation Pty Ltd 34 Bennent Avenue Melrose Parksa, Australia						21,335
Sai Global	Sai Global GPO Box 5420 SydneyNSW, Australia						35
Sandvik Mining & Construction Australia	116576 Sandvik Aus Locked Bag 4 Eagle Farm Bcqlid, Australia	Parts.Smcau@Sandvik.Com					6,434
Santek Pty Ltd	Santek Pty Ltd 16 Ellemssea Circuit Lonsdalea, Australia	Info@Santek.Com.Au					147,120
Sas Locksmith	Sas Locksmith Unit 17/663 Newcastle Street Leedervillewa, Australia						390
Sentricom	113823 Sentricom PO Box 350 WelshPOOLwa, Australia						483
Servicefm Pty Ltd	Servicefm Pty Ltd 561 Churchill Rd Kilburnsa, Australia	Service@Servicefm.Com.Au					1,698
Sick Pty Ltd	136069 Ken Kaye 899 Heidelberg Road IvanhoeVIC, Australia	Sales@Sick.Com.Au					189
Silkcity Holdings Pty Ltd T/A Australian Boxes & Cases	Aus Boxes & Cases 4-6 Wildfire Road Maddingtonwa, Australia						10,797

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Sime Darby Fleet Services Pty Ltd T/A Corefleet	Sime Darby Fleet Svc PO Box 612 WelshPool Dcwa, Australia		201811140064170 202006020025663		X		5,717
Site Skills Group Pty Ltd T/A Site Skills Training	Training Site Skills 1 Nestor Drive Meadowbrookqld, Australia	Accounts@Site.Edu.Au					807
Snap Printing	Snap Printing PO Box 303 Brisbane Marketsqld, Australia						916
Somerled Services	Services Somerled PO Box 548 Nairnesa, Australia						412
Sonic Healthplus Pty Ltd	Doctor The Travel GPO Box 1237 Osborne Parkwa, Australia	Linda.Lai@Medibank.Com.Au					7,016
Sonnex Pty Ltd	Sonnex 9 Walsh Street Elizabeth Southsa, Australia	Laser@Sonnex.Com.Au					1,003
Southcott Pty Ltd	Michelle Telfer GPO Box 1063 Adelaidesa, Australia						8,614
Southern Cross Caravan Park And Motor Lodge	Southern Cross Caravan Park PO Box 8 Southern Crosswa, Australia	Bookings@Sandaiwoodmotorlodge.Net.Au					-
Southern Cross Industrial Supplies Pty Limited	Sc Industrial Supplies 18 Gumbowie Avenue Adelaidesa, Australia	Mbyrne@Scis.Com.Au					117
Southern Springs	Mr D 40Dolman 3-5 Midera Avenue Edwardstownsa, Australia						2,057
Specialist Wholesalers Pty Ltd T/A Truckline	Sales Truckline 81 Stradbroke Street Heathwoodqld, Australia	Reception@Truckline.Com.Au					346
Stauff Corp Pty Ltd	Pty Ltd Stauff Corp PO Box 208 Port Adelaidesa, Australia	Tdouglas@Stauff.Com.Au					682
Stefan'S Mechanical Services	Mechanical Stefan'S PO Box 301 Kambaldawa, Australia	Skarafil@Bigpond.Net.Au					-
Stratex Pty	Stratex Pty PO Box 421 Moonahhtas, Australia						601

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
Sullair Australia Pty Ltd T/A Champion Compressors	Zoe Tayler PO Box 5194 Hallamvic, Australia					1,107
Super Motor Spares	Super Motor Spares 34 Railway Parade WelshPOOLwa, Australia					69,094
Swagelok Western Australia	Shelley Buss 2 Barrel Way Canning Valewa, Australia	Accounts@Swagelokwa.Com.Au				3,389
Synaco Resources Pty Ltd	Nick Romanello 33 Pirie Street Adelaidesa, Australia	Accounts@Synacoglobal.Com.Au				3,973
Synergy Energy	Synergy Energy PO Box K 851 Perthwa, Australia					3,674
Talent Development Solutions T/A Focal Hr Consulting	Anthony Foley 150 Ardross Street Mount Pleasantwa, Australia	Anthony@Focalhr.Com.Au				6,776
Tata Technologies Inc	Technologies Tata Dept. 78288 Detroitmi, Australia	Tracy.Storz@TataTechnologies.Com				3,214
Telescope Tyres And Batteries	And Batteries Telescope Tyres 62 Clarinda Street Parkesnsw, Australia	Sales@TelescopeTyres.Com.Au				-
Titeline Drilling International Pty Ltd	Titeline Drilling International Pty Ltd 3 Production Dr, Alfredton VIC 3350, Australia					7,700
The Fruit Box Group Pty Ltd	CorPOrate Box 56-62 Bakehouse Road Kensingtonvic, Australia	Admin@Boxcorporate.Com.Au				79
Tnt Australia Pty Ltd	Australia Tnt PO Box 559 Mascotnsw, Australia					12,450
Toll Transport Pty Limited	Toll Express PO Box 548 Altona Northsa, Australia					112,404
Tooling & General Heat Treatment Pty. Ltd.	Christine Thomson PO Box 38 Melrose Parksa, Australia					127
Toolstore Wa Rockingham	Toolstore Wa Rocking 2/17 Enterprise Way Rockinghamwa, Australia					-

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Total C A M Solutions	Wangara Total C.A.M Solution Unit 3 & 4 Achievement Way Wangarara, Australia	Jessie@Totalcam.Com.Au					1,986
Total Eden Pty Limited	Niddrie Diamond Industrial PO Box 286 Niddrievic, Australia						995
Toyota Material Handling Australia Pty Limited	Davinia Elliott PO Box 786 Moorebanknsw, Australia	Arcredit@Tmha.Com.Au	201510070039353 201510070039369 201903070024540 201904010046594 201905030013553 201905030038878 201905030057069 202005220000931 202006180052643 202007030000848 202007070050734 202007080041079 202009010013376 202009010013382 202009080048868 202009080049293 202009100038878 202009100039166 202010160064376 202010260008600 202010260031967 202010260032255 202011020022511 202011040046804 202011040051688 202011050008469 202011050066926 202011160005844 202012160003713 202012170016881 202012220053679	X		4,939	

A5 : Does the Company owe money, goods or services to others (other than to employees)?

<i>(In USD)</i>		Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Training Services Australia		Training Services Au Unit 3, 799 Beaufort Street Mt Lawleywa, Australia						1,463
Training Trek Family Unit Trust		John Elliot 283 LongPocket Road Moranbahqld, Australia	Johnelliott990@icloud.Com					1,186
Trainwest		Trainwest 154 Epsom Avenue Belmontwa, Australia						2,349
Turck Australia Pty Ltd		Turck Australia Pty Ltd PO Box 5037 Brandon Parkvic, Australia						15,012
Tyco Australia Group Pty Ltd		Tyco Australia PO Box 720 Fyshwickact, Australia						0
Ues International Pty Ltd		Ues (Int'l) Pty Ltd PO Box 2405 Regency Parksa, Australia	Ueswa@Uesint.Com					1,211

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if related party	Amount owing
United Fasteners Sa Pty Ltd	Fasteners Sa United 54 Cavan Road Dry Creeksa, Australia	Daniel.Knight@Unitedfasteners.Net.Au				2,109
Van Ruth Prod	Van Ruth Products 33 Mainsail Drive Ocean Reefwa, Australia					3,522
Veda Advantage Information Services And	Veda Advantage Infor And Solutions Limited North Sydney NSW, Australia					659
Velocity Vehicle Group Australia	Daimler Perth Daimler Trucks Perth Midlandwa, Australia	Parts@Daimlertrucksp Perth.Com.Au	2021043000124764		X	701
Village National Coal Country Operations	Patricia Dorante 79 Belyando Ave Moranbahqld, Australia	Cccp@Villagenational.Com.Au				2,372
Wa Mine World Pty Ltd	Wa Mine World PO Box 421 WelshPOOL Beverleywa, Australia					26,017
Wa Truck & Machinery Repairs	Wa Truck & Machinery PO Box 96 Bayswaterwa, Australia					-
Washingtons Exploration	Washingtons Exploration 148 Hilton Highway, Washdyke, Timaru 7910, New Zealand					36
Welding Equipment Sales & Services P/L	Welding Equipment Sa 107 Cormack Road Wingfieldsa, Australia					34
West Coast Fasteners Pty Ltd	West Coast Fasteners PO Box 519 Balcatta, Australia	Westcoastfast@Bigpond.Com.Au				3,389
Weststate Hose Supplies	Supplies Weststate Hose 117 Garling Street Oconnorwa, Australia	Sales@Weststatehose.Com.Au				1,449
Westrac Equip	Mario Blasgund 128-134 Great Eastern Hwy South Guildfordwa, Australia		201709290053981		X	820
Weststate Energy Pty Ltd	Luke Jones Unit 1/52 Erceg Road Perthwestern Australia, Australia	L.Jones@Weststateenergy.Com				208

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Winc Australia Pty Limited	Au CorPORate Express Private Bag 16 Alexandriansw, Australia						2,560
Work Health Clinic	Work Health Clinic M 10 Railway Terrace Mile Endsa, Australia						54
Workforce Health Assessors Pty Ltd	Jane Berriman Level 1, 42 Murray Street Hobarttasmania, Australia	Accounts@Wha.Net.Au					1,491
Wt Hydraulics	Wt Hydraulics 10 Williams St Kalgooriewa, Australia	Admin@Wthydraulics.Com.Au					74
Xceed	Kendall Single PO Box 100 Moranbahqld, Australia	Shirley.Strydom@Boartlongyear.Com					-

A5 : Does the Company owe money, goods or services to others (other than to employees)?

<i>(In USD)</i>		Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Tax Liabilities								
Creditor's name	Australian Tax Office - Income Tax Payable	N/A	N/A					1,983,605
	Australian Tax Office - Payroll Tax Payable	N/A	N/A					411,515
	Revenue SA - Payroll Tax Payable	N/A	N/A					95,465
	Queensland Government - Payroll Tax Payable	N/A	N/A					26,659
	Government of Western Australia - Payroll Tax Payable	N/A	N/A					223,873
	Canadian Revenue Agency - Goods and Services Tax Payable	N/A	N/A					1,283,619

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
Bly Mali Sa (Mali)	Nora Pincus, Rue 36 Cite du Niger 2 3385, Bamako, Mali	nora.pincus@boartlongyear.com				X	35,892
Boart Longyear Company (Utah)	Nora Pincus, 15 West South Temple Suite 600, Salt Lake City UT 84101 USA	nora.pincus@boartlongyear.com				X	113,289
Boart Longyear Drilling Products (Wuxi) Co Ltd (China)	Nora Pincus, 20 Zhongnan Rd., Wuxi, Jiangsu Province China, CN 214073	nora.pincus@boartlongyear.com				X	836
Boart Longyear Manufacturing And Distribution Inc.	2455 South 3600 West Salt Lake City, UT 84119 USA	nora.pincus@boartlongyear.com				X	1,807,300
Boart Longyear Manufacturing And Distribution Inc. (Md956Canada)	Nora Pincus, 2442 South Sheridan Way, Mississauga, ON L5J 2M7, Canada	nora.pincus@boartlongyear.com				X	999,812
Boart Longyear Manufacturing And Distribution Inc. (Md958Germany)	Nora Pincus, Meininger Weg 14 Eiterfeld, Germany, DE D-36132	nora.pincus@boartlongyear.com				X	465,001
Boart Longyear Manufacturing And Distribution Inc. (Md959Poland)	Nora Pincus, Popieluski 30, Katy Wroclawskie, Poland, PL 55-080	nora.pincus@boartlongyear.com				X	1,745,276
Boart Longyear Senegal Sarl (Senegal)	Nora Pincus, Building Les Almadies Business Center 1st Floor SIA Building Zone 12, Rte de Ngor, Les Almadies BP 24539 Dakar, SN BP 24539, Senegal	nora.pincus@boartlongyear.com				X	2,230

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Globaltech Corp Pty Ltd (Australia)	Nora Pincus, 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport, South Australia, AU 5950	nora.pincus@boartlongyear.com				X	1,055,639
Longyear South Africa (Pty) Ltd (Rsa)	Nora Pincus, Robertville Industrial Park 1067 Katrol Avenue Robertville, Gauteng, ZA. 1709	nora.pincus@boartlongyear.com				X	21,618
Boart Longyear Limited (ASX Co) (Australia)	Nora Pincus, 26 Butler Boulevard, Burbridge Business Park, Adelaide Airport, South Australia, AU 5950	nora.pincus@boartlongyear.com				X	40,706,181
Longyear Global Holdings, Inc (US-Delaware)	Nora Pincus, 251 Little Falls Drive Wilmington, DE 19808 USA	nora.pincus@boartlongyear.com				X	20,209,721

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Leases							
Lease - John Matthew & Sons	N/A	N/A			X		19,647
Lease - Butler Boulevard Adelaide Ct Pty Ltd	N/A	N/A			X		3,950,272
Lease - LJ & L Wright	N/A	N/A			X		6,657
Lease - GM PROPERTY ASSET MANAGEMENT PTY LTD	N/A	N/A			X		2,426,389
Lease - Perth Airport PRY Ltd	N/A	N/A			X		314,506
Lease - SG FLEET	N/A	N/A			X		39,542
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		170,172
Lease - Crown Lift Trucks	N/A	N/A			X		95,815
Lease - Crown Lift Trucks	N/A	N/A			X		67,793
Lease - Toyota Finance	N/A	N/A			X		66,103
Lease - Toyota Finance	N/A	N/A			X		67,401
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		40,829
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		60,083
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		39,957
Lease - Toyota Finance	N/A	N/A			X		26,404
Lease - Toyota Finance	N/A	N/A			X		26,404
Lease - Custom Fleet Operating	N/A	N/A			X		7,256
Lease - Custom Fleet Operating	N/A	N/A			X		8,354
Lease - Custom Fleet Operating	N/A	N/A			X		22,577
Lease - Custom Fleet Operating	N/A	N/A			X		27,223
Lease - Custom Fleet Operating	N/A	N/A			X		26,928
Lease - Toyota Finance	N/A	N/A			X		50,879
Lease - Toyota Finance	N/A	N/A			X		44,633
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		26,404
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		35,176
Lease - Toyota Finance	N/A	N/A			X		34,896
Lease - Toyota Finance	N/A	N/A			X		52,766
Lease - Toyota Finance	N/A	N/A			X		52,592
Lease - Custom Fleet Operating	N/A	N/A			X		42,734
Lease - Custom Fleet Operating	N/A	N/A			X		46,346
Lease - Custom Fleet Operating	N/A	N/A			X		16,664
Lease - Custom Fleet Operating	N/A	N/A			X		18,167
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		59,367
Lease - Custom Serv Leasing PTY LTD	N/A	N/A			X		41,557

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Lease - Custom Serv Leasing PTY LTD	N/A	N/A			X		54,082
Lease - Custom Serv Leasing PTY LTD	N/A	N/A			X		50,170
Lease - Custom Serv Leasing PTY LTD	N/A	N/A			X		34,206
Lease - Custom Serv Leasing PTY LTD	N/A	N/A			X		30,706
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		34,206
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		57,018
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		57,161
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		51,455
Lease - Toyota Finance	N/A	N/A			X		45,560
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		51,455
Lease - Toyota Finance	N/A	N/A			X		72,432
Lease - Toyota Finance	N/A	N/A			X		59,194
Lease - Toyota Finance	N/A	N/A			X		68,355
Lease - Toyota Finance	N/A	N/A			X		55,035
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		56,049
Lease - Toyota Finance	N/A	N/A			X		55,735
Lease - Toyota Finance	N/A	N/A			X		55,035
Lease - Toyota Finance	N/A	N/A			X		47,763
Lease - Toyota Finance	N/A	N/A			X		56,809
Lease - Toyota Finance	N/A	N/A			X		49,951
Lease - Toyota Finance	N/A	N/A			X		48,056
Lease - Toyota Finance	N/A	N/A			X		72,508
Lease - Toyota Finance	N/A	N/A			X		56,809
Lease - Toyota Finance	N/A	N/A			X		55,408
Lease - Toyota Finance	N/A	N/A			X		49,847
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		41,934
Lease - Toyota Finance	N/A	N/A			X		61,747
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		40,616
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		61,825
Lease - Toyota Finance	N/A	N/A			X		55,104
Lease - Toyota Finance	N/A	N/A			X		66,107
Lease - Toyota Finance	N/A	N/A			X		55,498
Lease - Toyota Finance	N/A	N/A			X		55,387
Lease - Toyota Finance	N/A	N/A			X		55,387
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		55,387
Lease - Cust SERV LEASING PTY LTD	N/A	N/A			X		65,985

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Lease - Toyota Finance	N/A	N/A			X		61,508
Lease - Toyota Finance	N/A	N/A			X		56,888
Lease - SG FLEET	N/A	N/A			X		33,258
Lease - Custom Service Leasing Pty Ltd	N/A	N/A			X		61,903
Lease - Toyota Finance	N/A	N/A			X		71,997
Lease - Toyota Finance	N/A	N/A			X		215,822

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)		Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debt Facilities								
PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au	201505010040819 202008070028829	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X			43,500,000
U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	202105280070011 201309270082238	Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility				99,780,479
U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	202105280070011 201309270082238	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X			322,161,136

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041877 201410240067983 201410300085841 201410300086032 201410310033600 201410310033692 201707130055364 201812210123129 201812210123378	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X		58,657,575
Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041877 201410240067983 201410300085841 201410300086032 201410310033600 201410310033692 201707130055364 201812210123129 201812210123378	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		50,000,000
Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041877 201410240067983 201410300085841 201410300086032 201410310033600 201410310033692 201707130055364 201812210123129 201812210123378	Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X		158,854,343
Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041877 201410240067983 201410300085841 201410300086032 201410310033600 201410310033692 201707130055364 201812210123129 201812210123378	Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X		191,497,991
Total							1,004,914,520

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Account Receivables				
A J Lucas Coal Technologies	X		152,441	152,441
Action Drill & Blast			625	625
Adelaide Drill Supplies Pty Ltd	X		10,584	10,584
AF Drill Techniques, Instrumentation Corporation			4,542	4,542
Alton Drilling Pty Ltd	X		19,015	19,015
Alton Drilling Pty Ltd	X		235,519	235,519
Anglo American Metallurgical Coal Pty Ltd			749,173	749,173
Associated Exploration Drillers			1,893	1,893
Ausdrill Pty Ltd			223,281	223,281
Australian Mineral & Waterwell Drilling			4,193	4,193
Australian Underground Drilling			326,322	326,322
Axis Mining Technology	X		8,670	8,670
Axis Mining Technology Pty Ltd	X		309	309
Barmenco Ltd	X		258,846	258,846
Baro Australia Pty Ltd			198,802	198,802
Berendsen Fluid Power Pty Ltd (Australia)	X		6,865	6,865
Blue Spec Drilling Pty Ltd	X		20,379	20,379
Ch4 Drilling Pty Ltd			233,295	233,295
Core Drilling Services Pty Ltd			728	728
Core Drilling Services Pty Ltd			1,482	1,482
Cpc Engineering Pty Ltd			229	229
D & B Supplies			20,825	20,825
Ddh1 Drilling Pty Ltd	X		380,966	380,966
Deepcore Australia Pty Ltd			931,511	931,511

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Depco Drilling Pty Ltd	X		73,463	73,463
Downhole Surveys			58,482	58,482
Drc Drilling Pty Ltd	X		32,901	32,901
Drillers World Aust Pty Ltd			10,645	10,645
Drillit Consulting Pty Ltd	X		56,647	56,647
Drillmech Pty Ltd			2,495	2,495
Drilltec Pty Ltd			10,887	10,887
Durock Drilling Pty Ltd			9,145	9,145
Durock Drilling Pty Ltd			34,083	34,083
Dynamic Drill And Blast	X		73,690	73,690
Eagle Drilling Nq Pty Ltd			508	508
East West Drilling & Mining Supplies Pty Ltd			61,567	61,567
East West Drilling & Mining Supplies Pty Ltd			472,299	472,299
Eastern Well Service No 2 Pty Ltd			720	720
Edge Drilling	X		7,830	7,830
Emr Golden Grove Pty Ltd			846,472	846,472
Endeavour Coal Pty Ltd			33,853	33,853
Fmr Investments Pty Ltd			2,936	2,936
Foraco Australia Pty Ltd			170,454	170,454
Foraco Pacifique			10,553	10,553
Fortescue Metals Group Limited			1,158,238	1,158,238
Fosterville Gold Mine Pty Ltd			99,777	99,777
Gas Field Services Pty Ltd			2,773	2,773
Geodrill Australia Pty Ltd	X		33,091	33,091
Gmp Exploration Drilling	X		889	889
Gn Drill-Tech Trading Sdn Bhd			19,356	19,356
Gn Drill-Tech Trading Sdn Bhd			29,312	29,312
Groundwave Drilling Services Pty Ltd	X		58,003	58,003

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Gsm Mining Company Pty Ltd			268,225	268,225
Hagstrom Drilling Pty Ltd			2,541	2,541
Hagstrom Drilling Pty Ltd			52,754	52,754
Halls Creek Mining Pty Ltd			3,445	3,445
Hampton Transport Services Pty Ltd	X		20,195	20,195
Heathgate Resources	X		2,598	2,598
Hirado Kinzoku Kogyo Co Ltd			7,693	7,693
Hmr Drilling Services Pty Ltd	X		251,909	251,909
Ib Operations Pty Ltd			528,859	528,859
Impact Drill And Blast			10,953	10,953
Indochina Geotechnics Jsc			61,788	61,788
Jarahfire Drilling			6,126	6,126
Jsw Australia Pty Ltd	X		4,430	4,430
Kerembla Pty Ltd	X		12,036	12,036
Lane Xang Minerals Limited			402,071	402,071
Maca Mining Pty Ltd			54,935	54,935
Macmahon Contractors Pty Ltd	X		5,362	5,362
Major Drilling Mongolia Lic			504,702	504,702
Mckay Drilling	X		72,669	72,669
Midgi Philippines, Inc.			5,854	5,854
Metropolitan Collieries Pty Ltd			839	839
Minexplore Hong Kong Ltd			12,855	10,293
Minexplore Trading Services Inc.			1,161	(0)
Minterra Pty Ltd			16,104	16,104
Mitchell Operations Pty Ltd			662,691	662,691
Mj Drilling Pty Ltd	X		5,649	5,649
Mj Drilling Pty Ltd	X		12,574	12,574
Mimg Dugald River Pty Ltd			366,152	366,152

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Mount Isa Mines Ltd			11,689	11,689
Mount Isa Mines Ltd			14,693	10,648
Mism Group Llc			159,778	158,092
Mt Magnet Drilling	X		21,240	21,240
Murchison Blasting Services			43,337	43,337
National Drilling Equipment Pty Ltd	X		30,346	30,346
Newcrest Services Pty Limited			42,140	42,140
Numac Drilling Services Pty Ltd	X		8,003	8,003
Ophir Drilling Pty Ltd	X		1,613	1,613
Oz Minerals Carrapateena Pty Ltd			415,002	415,002
Oz Minerals Musgrave Operations Pty Ltd			729,194	729,194
Oz Minerals Prominent Hill Operations Pty Ltd			1,110,454	1,110,454
Perenti Group Services Pty Ltd			2,669	2,669
Pilbara Iron Company (Services) Pty Ltd			325,590	325,590
Precision Drilling Australia Pty Ltd			4,956	4,956
Precision Exploration Drilling Pty Ltd	X		27,210	27,210
Pre-Mat Drilling Supplies Pte Ltd	X		22,535	22,535
Premier Coal Limited			396,493	396,493
Premier Drill And Blast Contractors Pty Ltd	X		5,824	5,824
Proactive Drilling Services Pty Ltd			633	633

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Pt Freeport Indonesia			13,400	13,400
Pt Indoboreq			762	762
Pt. Major Drilling Indonesia			804,033	804,033
Pybar Mining Services Pty Ltd	X		162,063	162,063
Quarry Mining & Construction Equipment Pty Ltd	X		50,007	50,007
Quickturn Engineering	X		3,004	3,004
Radco Technologies Pty Ltd	X		151,836	151,836
Raglan Drilling Pty Ltd			3,439	3,439
Ranger Exploration Drilling Pty Ltd	X		77,832	77,832
Resolution Drilling Pty Ltd	X		1,567	1,567
Resolution Drilling Pty Ltd	X		2,571	2,571
Ruc Cementation Mining Contractors P/L			153,535	153,535
SR Info Solution Pvt Ltd			26,022	26,022
Sandvik Mining And Construction Australia Pty Ltd			3,751	3,751
Schonknecht Drilling Pty Ltd			4,706	4,706
Seismic Drilling			9,253	9,253
Seismic Drilling			16,779	16,779
Semirara Mining & Power Corporation			294,607	265,083
Shanxi Jinding Gaobao Drilling Co. Ltd.			237,623	237,623
Silver City Drilling (Nsw) Pty Ltd	X		3,030	3,030
South Western Drilling Pty Ltd			2,469	2,469

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Srs Drilling Pty Ltd T/A Star Drilling	X		24,521	24,521
St Ives Gold Mining Company Pty Ltd			1,809,888	1,809,888
Starwest Pty Ltd	X		15,485	15,485
Super Abrasive Diamond Tools Ltd			4,360	4,360
Swick Mining Services Pty Ltd			1,484,391	1,484,391
T & C Hedges Consulting Pty Ltd T A Cks Engineering			1,263	1,263
Terra Drilling Pty Ltd	X		17,047	17,047
Terra Drilling Pty Ltd	X		29,659	29,659
Terratest			483	483
Terratest			5,560	5,560
Titeline Drilling Pty Ltd	X		364,584	364,584
Titeline Drilling Underground Pty Ltd	X		29,785	29,785
Titeline Drilling Underground Pty Ltd	X		349,782	349,782
Topdrill Core Pty Ltd	X		35,050	35,050
Topdrill Core Pty Ltd	X		137,645	137,645
Total Drilling Services Pty Ltd			4,347	4,347
Tulla Drilling Pty Ltd	X		1,459	1,459
United Drilling Services Pty Ltd			27,926	27,926
Wallis Drilling Co Pty Ltd			47,920	47,920
Wda Drilling Services Pty Ltd			1,267	1,267
Wda Drilling Services Pty Ltd			15,376	15,376
Webdrill Australia Pty Ltd			64,811	64,811
West Core Drilling Pty Ltd	X		935	935
Weststauz Mining Pty Ltd			297	297
Westralian Diamond Drillers Pty Ltd	X		4,087	4,087
Westralian Diamond Drillers Pty Ltd	X		27,447	27,447
Wizard Drilling	X		3,138	3,138
Wizard Drilling	X		4,523	4,523
Xcel Drilling Pty Ltd	X		15,805	15,805
Tax Receivables				
Australian Tax Office - Withholding Tax Receivable			10,423	10,423

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
Intercompany Receivables				
Bly Ghana Limited (Ghana)			2,180	2,180
Bly Products Mali Sa (Mali Prod)			11,079	11,079
Boart Longyear Canada (Canada)			5,525	5,525
Boart Longyear Chile Limitada			15,802	15,802
Boart Longyear Llc - Russia			96	96
Boart Longyear Rus Llc (Russian Federation)			514	514
Boart Longyear Suisse Sarl (Ce930Belgium)			521	521
Boart Longyear Sac (Peru)			552	552
Longyear Tm, Inc. (Us-Delaware 824)			163,381	163,381
Pt Boart Longyear			27,898	27,898
Total			20,681,234	20,642,256

A7 Does the Company own any assets as listed below?

- Bank accounts
- Motor vehicles
- Plant and equipment
- Inventory
- Property on trust
- Superannuation fund
- Real property
- Other assets

Please see details below
 Please see appendix 1
 Please see appendix 1
 Please see appendix 2
 No
 No
 Please see appendix 1
 Please see appendix 3 and 4

If you answered NO to all the items, explain why the Company has no assets.
 (In USD)

Asset description	Location/address where asset is located. With Bank accounts, give bank details including A/C numbers	Security held by	Estimated Asset value
Bank Account - ANZ	XXXXXXXXXX3637	PNC Bank, US Bank, Wilmington Trust, various lessors	1,809,636
Bank Account - ANZ	XXXXXXXXXX0001	PNC Bank, US Bank, Wilmington Trust, various lessors	45,772
Total			1,855,408

Appendix 1 Fixed Assets
(In USD)

	Boart Longyear Australia Pty Ltd
Real property	14,501,477
Plant and equipment - M&E	18,804,488
Plant and equipment - Furniture & Fixtures	6,463
Plant and equipment - Hardware	60,402
Plant and equipment - Software	49,949
Motor vehicles	152,970
Total ⁽ⁱ⁾	33,575,750

⁽ⁱ⁾ Net value

Appendix 2 Inventory
(in USD)

	Boart Longyear Australia Pty Ltd
Inventory - Finished goods	16,023,607
Inventory - WIP	305,718
Inventory - Raw Materials	981,328
Inventory in transit	8,593,515
Inventory - Other	246,211
Total ^(a)	26,150,378

^(a) Net value

Appendix 3 Other Assets
(In USD)

	Boart Longyear Australia Pty Ltd
Investment in Subsidiaries	-
Intangible	5,862,797
Prepaid expenses	502,483
Assets Held for Sale	322,252
Goodwill	0
Deferred Tax Asset	155,219
Other Current Assets	30,731
Total ^(a)	6,873,482

^(a) Net value

Appendix 4. Assets Subject to specific security interests

Boart Longyear Australia Pty Ltd

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Australia Pty Ltd;	Boart Longyear Investments Pty Ltd (27.88%) and Votrait No. 1609 Pty Ltd. (1.56%).	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Australia Pty Ltd;	As above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Australia Pty Ltd;	As above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

Appendix 4. Assets Subject to specific security interests

Boart Longyear Australia Pty Ltd

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Australia Pty Ltd;	Boart Longyear Investments Pty Ltd (27.88%) and Votrait No. 1609 Pty Ltd. (1.56%).	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Australia Pty Ltd;	As above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Australia Pty Ltd;	As above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.



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Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
Boart Longyear Investments Pty Limited

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
124 070 373

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Registered office

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Principal place of business

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
Boart Longyear Management Pty Limited (ASX Mgt Co)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	427,560,732
Votrait No. 1609 Pty Ltd (Australia)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	361,889,942
Tax Liabilities							
Australian Tax Office - Income Tax Payable	N/A	N/A					78

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debt Facilities PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au	201812190057485	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		43,500,000
U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	202105270030034	Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility			93,780,479
U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	202105270030034	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X		322,161,136
Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201812210123748 201812210123657 201812210123172	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X		58,657,575

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201812210123748 201812210123657 201812210123172	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		50,000,000
Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201812210123748 201812210123657 201812210123172	Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X		158,854,343
Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201812210123748 201812210123657 201812210123172	Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X		191,497,991

Total

1,707,902,277

Appendix 1 Fixed Assets
(In USD)

	Boart Longyear Investments Pty Limited
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 2 Inventory
(In USD)

	Boart Longyear Investments Pty Limited
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ^(a)	-

^(a) Net value

Appendix 3 Other Assets
(In USD)

Boart Longyear Investments Pty Limited

	Boart Longyear Investments Pty Limited
Investment in Subsidiaries	3,145,509,316
Intangible	-
Prepaid expenses	-
Assets Held for Sale	-
Goodwill	(82)
Deferred Tax Asset	-
Other Current Assets	-
Total ⁽¹⁾	3,145,509,234

⁽¹⁾ Net value

Appendix 4 Assets Subject to specific security interests
(In USD)

Boart Longyear Investments Pty Limited

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Investments Pty Limited	BL Group Holdings Inc. and BLY US Holdings Inc.	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Investments Pty Limited	As Above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Investments Pty Limited	As Above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

Appendix 4 Assets Subject to specific security interests
(In USD)

Boart Longyear Investments Pty Limited

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Boart Longyear Investments Pty Limited	BL Group Holdings Inc. and BLY US Holdings Inc.	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Boart Longyear Investments Pty Limited	As Above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Boart Longyear Investments Pty Limited	As Above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.



ASIC
Australian Securities &
Investments Commission

Office only box

Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
Votrant No. 1609 Pty Limited

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
119 244 272

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Registered office

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Principal place of business

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
Boart Longyear Australia Pty Ltd (Australia)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	67,962,880
Boart Longyear Australia Pty Ltd (Australia)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	1,492,685
Boart Longyear Canada (Canada)	Nora Pincus, 2442 South Sheridan Way, Mississauga, ON L5J 2M7	nora.pincus@boartlongyear.com				X	1,926
Boart Longyear Management Pty Limited (ASX Mgt Co)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	4,236,941
Boart Longyear Poland Spoka Z o.o. (Poland)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	1,863
Boart Longyear Management Pty Limited (ASX Mgt Co)	Nora Pincus, 26 Butler Boulevard Burbridge Business Park, Adelaide Airport, South Australia 5950, Australia	nora.pincus@boartlongyear.com				X	67,581,561
Longyear Global Holdings, Inc (US-Delaware)	Nora Pincus, 251 Little Falls Drive, Wilmington DE 19808 USA	nora.pincus@boartlongyear.com				X	3,481,922

A5 : Does the Company owe money, goods or services to others (other than to employees)?

(In USD)		Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Tax Liabilities									
	Australian Tax Office - Income Tax Payable		N/A	N/A					34
	Australian Tax Office - Withholding Tax Payable		N/A	N/A					47,737
Debt Facilities									
	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au	201707190033436	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X			43,500,000
	U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270081541	Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility				93,780,479
	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com	201309270081541	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X			322,161,136
	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041812 201410240068013 201707170012379 201812210123206 201812210123234	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X			58,657,575
	Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041812 201410240068013 201707170012379 201812210123206 201812210123234	Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X			50,000,000
	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041812 201410240068013 201707170012379 201812210123206 201812210123234	Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X			158,854,343
	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com	201410210041812 201410240068013 201707170012379 201812210123206 201812210123234	Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X			191,497,991
Total									1,063,259,072

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
BLY Gabon S.A. (Gabon)		X	849,914	849,914
BLY Ghana Limited (Ghana)		X	5,744,927	5,744,927
BLY Mali S.A. (Mali)		X	2,929,553	2,929,553
Total			9,524,394	9,524,394

Appendix 1 Fixed Assets
(In USD)

Votraint No. 1609 Pty Limited

	Votraint No. 1609 Pty Limited
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 2 Inventory
(in USD)

	Votrait No. 1609 Pty Limited
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ^(a)	-

^(a) Net value

Appendix 3 Other Assets
(In USD)

Votrait No. 1609 Pty Limited

	Votrait No. 1609 Pty Limited
Investment in Subsidiaries	211,108,995
Intangible	-
Prepaid expenses	-
Assets Held for Sale	-
Goodwill	727,186
Deferred Tax Asset	70,111
Other Current Assets	27
Total ^(a)	211,906,319

^(a) Net value

Appendix 4 Assets Subject to specific security interests

Votrait No. 1609 Pty Limited

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Votrait No. 1609 Pty Limited	Boart Longyear Saudi Arabia LLC (10%), BLY EMEA UK Holdings Ltd.(54%), Boart Longyear (Vic) No. 2 Pty Limited (95%), Longyear South Africa (Pty) Limited (73.77%), Boart Longyear Zambia Limited (99.999%), Boart Longyear Argentina S.A.(99.99%), Patagonia Drill Mining Services S.A.(99.96%), Boart Longyear de Mexico S.A. de C.V. (99.4%), BLY Drilling Services and Products Mexico S.A. de C.V.(99.8%), Boart Longyear Chile Limitada (96.05%) BLY Holdings Tanzania Limited (80%), Boart Longyear Tanzania Limited (99%), Boart Longyear Drilling Services KZ LLP, Inavel S.A., Boart Longyear Canada Ltd., Boart Longyear DRC S.A.(99%), Boart Longyear Burkina Faso Cambodia Ltd., BLY Canada Inc., Longyear Gabon S.A. (99%), BLY Cote d'Ivoire S.A. (99%), Boart Sarl, BLY Ghana Limited, BLY Gabon S.A. (99%), BLY Cote d'Ivoire S.A. (99%), Boart Longyear Liberia Corporation (99%), Globaltech Corporation Pty Ltd (52.14%), BLY Senegal S.A.(99%) and BLY Sierra Leone Ltd. (99.9%).	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Votrait No. 1609 Pty Limited	As Above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Votrait No. 1609 Pty Limited	As Above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

Appendix 4 Assets Subject to specific security interests

Votrait No. 1609 Pty Limited

(In USD)

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
Votrait No. 1609 Pty Limited	Boart Longyear Saudi Arabia LLC (10%), BLY EMEA UK Holdings Ltd.(54%), Boart Longyear (Vic) No. 2 Pty Limited (95%), Longyear South Africa (Pty) Limited (73.77%), Boart Longyear Zambia Limited (99.999%), Boart Longyear Argentina S.A.(99.99%), Patagonia Drill Mining Services S.A.(99.96%), Boart Longyear de Mexico S.A. de C.V. (99.4%), BLY Drilling Services and Products Mexico S.A. de C.V.(99.8%), Boart Longyear Chile Limitada (96.05%) BLY Holdings Tanzania Limited (80%), Boart Longyear Tanzania Limited (99%), Boart Longyear Drilling Services KZ LLP, Inavel S.A., Boart Longyear Canada Ltd., Boart Longyear DRC S.A.(99%), Boart Longyear Burkina Faso Cambodia Ltd., BLY Canada Inc., Longyear S.A.(99%), BLY Cote d'Ivoire S.A. (99%), Boart Sarl, BLY Ghana Limited, BLY Gabon S.A. (99%), BLY Cote d'Ivoire S.A. (99%), Boart Longyear Liberia Corporation (99%), Globaltech Corporation Pty Ltd (52.14%), BLY Senegal S.A.(99%) and BLY Sierra Leone Ltd. (99.9%).	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
Votrait No. 1609 Pty Limited	As Above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
Votrait No. 1609 Pty Limited	As Above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.



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Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete

for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
BL Capital Management LLC

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
649 445 321

Street number and name
251 Little Falls Drive

Suburb/City	State/Territory	Postcode
Wilmington	Delaware	19808

Registered office

Street number and name
251 Little Falls Drive

Suburb/City	State/Territory	Postcode
Wilmington	Delaware	19808

Principal place of business

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 : Does the Company owe money, goods or services to others (other than to employees)?

<i>(In USD)</i>	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debtor's name							
Debtor's name							
PNC Bank National Association in its capacity as ABL agent for the Asset Backed Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		43,500,000
U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com		Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility			93,780,479
U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X		322,161,136
Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X		58,657,575
Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		50,000,000
Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X		158,854,343
Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X		191,497,991
Total							918,451,524

A6 Is the Company owed money?

(In USD)

Debtor name	Tick if secured	Tick if related party	Amount owing	Estimated Amount Realisable
BLY US Holding Inc.		X	353,387,847	353,387,847
Longyear Global Holdings, Inc (US-Delaware)		X	452,249	452,249
Total			353,840,096	353,840,096

Appendix 1 Fixed Assets
(In USD)

BL Capital Management LLC

	BL Capital Management LLC
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 2 Inventory
(in USD)

BL Capital Management LLC

	BL Capital Management LLC
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ^(a)	-

^(a) Net value

Appendix 3 Other Assets
(in USD)

BL Capital Management LLC

	BL Capital Management LLC
Investment in Subsidiaries	-
Intangible	-
Prepaid expenses	-
Assets Held for Sale	-
Goodwill	-
Deferred Tax Asset	-
Other Current Assets	-
Total ⁽¹⁾	-

⁽¹⁾ Net value



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Form 507 Corporations Act 2001
s421A(1) & (2)
s429(2)(b) & (c)
s475(1) & (7)
s497(4) & (6)
s438B(2A)

REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download [INSTRUCTIONS Part A \(Form 507\)](#) and [Part B](#)

www.asic.gov.au/forms/507

The information you provide to ASIC in this Report may include personal information.

Please see our [privacy policy \(www.asic.gov.au/privacy\)](http://www.asic.gov.au/privacy) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

External Administrator use only

External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

Receiver and Manager 507G
 Appointment date

Managing Controller of property 507H
 Date person took control

Controller 507F
 Date received Report

Liquidator/Provisional Liquidator appointed by the court 507C
 Date received Report

Liquidator – creditors' voluntary winding up 507D
 Date received Report

Voluntary Administrator 507K
 Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

Date the Director must send you the Report.

This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

Continued on next page

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

Director to complete

for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below. (Not applicable to managing controllers)

/ /

A2 Do you have the **INSTRUCTIONS** for completing this form?

No You must download a copy from www.asic.gov.au/forms/507

Yes The **INSTRUCTIONS** explain:

- why you received this Report
- your role in completing it
- how to complete it.

A3 Name of the Company under external administration
BLY US Holdings Inc.

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN
649 445 394

Street number and name
15 West South Temple, Suite 600

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84101

Registered office

Street number and name
15 West South Temple, Suite 600

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84101

Principal place of business

Street number and name
2455 South 3600 West

Suburb/City	State/Territory	Postcode
Salt Lake City	Utah	84119

Does the Company have other places of business?

No Go to Question **A4**

Yes Give details below

Street number and name
26 Butler Blvd, Burbridge Business Park,

Suburb/City	State/Territory	Postcode
Adelaide Airport	SA	5650

What the Company owes and owns

A4 Does the Company owe money to its employees?

- No Go to Question **A5**
- Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

A5 Does the Company owe money, goods or services to others (other than to employees)?

- No Go to Question **A6**
- Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

A6 Is the Company owed money?

- No Go to Question **A7**
- Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

- No
- Yes

Motor vehicles

- No
- Yes

Plant and equipment

- No
- Yes

Inventory

- No
- Yes

Real property

- No
- Yes

Other assets

- No
- Yes

Does the Company hold property on trust?

- No
- Yes

Is the Company a trustee of a superannuation fund?

- No
- Yes

If you ticked NO to all the items, explain why the Company has no assets.

A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- No **PLEASE BE AWARE:** You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

- Yes Go to Question **A9**

A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

GLOBAL NOTES

These following notes and statements and limitations should be referred to, and referenced in connection with, any review of the following form:

- 1. Basis of Presentation** – The financial statements and information contained herein are unaudited and preliminary. The Company is maintaining its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”) and the information furnished in this report uses the Company’s normal accrual method of accounting. In preparing this form, the Company relied on financial data derived from its books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the form and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Companies do not undertake any obligation or commitment to update the form.
- 2. Reporting Period** – Unless otherwise noted herein, the report generally reflects the Company’s books and records and financial activity as of April 30, 2021. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
- 3. Currency** – Unless otherwise noted herein, amounts are displayed in US dollars.
- 4. Reservation of Rights** – Given the complexity of the Company’s businesses, inadvertent errors, omissions, or over inclusion of certain items may have occurred. Accordingly, the Company hereby reserves all of its rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this form and reserves the right to amend or supplement this form if necessary, but shall be under no obligation to do so.

A5 Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Debt Facilities PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Tony Clarke c/- M+K Lawyers GPO Box 2731 Sydney NSW 2001 Australia	tony.clarke@mk.com.au		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		43,500,000
U.S Bank National Association as Trustee and Collateral Agent of the 7% Senior Unsecured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com		Unsecured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 7% Senior Notes debt facility			93,780,479
U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Brandon Elzinga 170 South Main Suite 600 Salt Lake City UT 84101 USA	Brandon.elzinga@usbank.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the 10% Senior Notes debt facility	X		322,161,136
Wilmington Trust, National Association as Backstop Asset Back Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Backstop Asset Backed Loan	X		58,657,575
Wilmington Trust, National Association as Bridge Financing Loan agent	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Secured Guarantee obligations of Boart Longyear Management Pty Ltd's under the Asset Backed Loan	X		50,000,000
Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Partly secured guarantee of BL Capital Management LLC's under the Term Loan A debt facility	X		158,854,343
Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Joseph Feil 50 South Sixth Street Suite 1290 Minneapolis Minnesota 55402 USA	JFeil@WilmingtonTrust.com		Partly secured guarantee of BL Capital Management LLC's under the Term Loan B debt facility	X		191,497,991

A5 Does the Company owe money, goods or services to others (other than to employees)?

(In USD)

Creditor's name	Postal address in full	Email address	PPSR (if applicable)	If Secured give assets details	Tick if secured	Tick if related party	Amount owing
Intercompany Liabilities							
BL Capital Management LLC	Nora Pincus, 251 Little Falls Drive, Wilmington, Delaware, USA, 19808	nora.pincus@boartlongyear.com				X	353,387,847
Total							1,271,839,371

Appendix 1 Fixed Assets
(In USD)

BLY US Holdings Inc.

	BLY US Holdings Inc.
Real property	-
Plant and equipment - M&E	-
Plant and equipment - Furniture & Fixtures	-
Plant and equipment - Hardware	-
Plant and equipment - Software	-
Motor vehicles	-
Total ⁽ⁱ⁾	-

⁽ⁱ⁾ Net value

Appendix 2 Inventory
(in USD)

BLY US Holdings Inc.

	BLY US Holdings Inc.
Inventory - Finished goods	-
Inventory - WIP	-
Inventory - Raw Materials	-
Inventory in transit	-
Inventory - Other	-
Total ⁽¹⁾	-

⁽¹⁾ Net value

Appendix 3 Other Assets
(In USD)

BLY US Holdings Inc.

	BLY US Holdings Inc.
Investment in Subsidiaries	2,936,190,940
Intangible	-
Prepaid expenses	-
Assets Held for Sale	-
Goodwill	-
Deferred Tax Asset	-
Other Current Assets	-
Total ⁽¹⁾	2,936,190,940

⁽¹⁾ Net value

Appendix 4 Assets Subject to specific security interests
(In USD)

BLY US Holdings Inc.

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
BLY US Holdings Inc.	BL Capital Management LLC, Boart Longyear Company and Longyear Global Holdings, Inc.	1-June-21	First ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	27-Sept-13	First ranking charge over non-working capital assets ("NWCA") for Non-consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	27-Sept-13	Second ranking charge over non-working capital assets ("NWCA") for Consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	24-Oct-14	Second ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
BLY US Holdings Inc.	As Above	21-Oct-14	Third ranking charge over non-working capital assets ("NWCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
BLY US Holdings Inc.	As Above	23-July-17	Fourth ranking charge over non-working capital assets ("NWCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	01-May-15	Fifth ranking charge over non-working capital assets ("NWCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.

Appendix 4 Assets Subject to specific security interests
(In USD)

BLY US Holdings Inc.

Company	Description of Assets	Date Security Interest Given	Description of security interest	Holder of Security Interest	Term of repayment
BLY US Holdings Inc.	BL Capital Management LLC, Boart Longyear Company and Longyear Global Holdings, Inc.	01-May-15	First ranking charge over working capital assets ("WCA")	PNC Bank National Association in its capacity as ABL agent for the Asset Back Loan Agreement	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	1-June-21	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Bridge Financing Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	23-July-17	Second ranking charge over working capital assets ("WCA")	Wilmington Trust, National Association as Backstop Asset Back Loan agent	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	21-Oct-14	Third ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan A Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.
BLY US Holdings Inc.	As Above	27-Sept-13	Fourth ranking charge over working capital assets ("WCA") for consenting holders	U.S Bank National Association as Trustee and Collateral Agent of the 10% Senior Secured Notes	Guarantor of the obligation of Boart Longyear Management Pty Ltd.
BLY US Holdings Inc.	As Above	24-Oct-14	Fourth ranking charge over working capital assets ("WCA")	Wilmington Trust National Association as agent for the Term loan B Securities Agreement	Guarantor of the obligation of BL Capital Management LLC.

ANNEXURE F

Scheme Administrators' Scale of Charges

**FTI Consulting CF&R Standard Rates effective 1 April 2020
(excluding GST)**

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

ANNEXURE G
TLA Proxy Form

TLA Proxy Form

Please note:

Any TLA Purchaser who wishes to appoint a proxy in relation to the Secured Creditors' Scheme Meeting and/or Unsecured Creditors' Scheme Meeting must complete and lodge the TLA Proxy Form below so that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

TLA Proxy Form

Form 532

(previously regulation 5.6.29)

(as modified and adopted for the BLY Creditor Schemes)

Capitalised terms in this TLA Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

Please complete **each of** Part A (*Secured Creditors' Scheme Meeting*), Part B (*Unsecured Creditors' Scheme Meeting*) and Part C (*Execution*) below.

PART A - SECURED CREDITORS' SCHEME MEETING

1. APPOINTMENT OF PROXY and voting instructions to proxy

I/We _____ of _____, a creditor of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 or BLY US Holdings Inc. ARBN 649 445 394 appoint:

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 1 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 1 below*)

Name: _____

Address: _____

Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Secured Creditors'
Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Secured Creditors' Scheme Resolution (defined below at paragraph 2)

AGAINST the Secured Creditors' Scheme Resolution (defined below at paragraph 2)

2. SECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT *pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies and the Secured Scheme Creditors, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Secured Creditors' Scheme in any material respect).*

(the **Secured Creditors' Scheme Resolution**)

PART B - UNSECURED CREDITORS' SCHEME MEETING

1. APPOINTMENT OF PROXY and voting instructions to proxy

I/We _____ of _____, a creditor of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 or BLY US Holdings Inc. ARBN 649 445 394 appoint:

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 1 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 1 below*)

Name: _____

Address: _____

Passport Country and Number / Identification Number of other Government-Issued Photographic Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number / Identification Number of other Government-Issued Photographic Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Unsecured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

- FOR the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2)

- AGAINST the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2)

2. UNSECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Unsecured Creditors' Scheme in any material respect).

(the **Unsecured Creditors' Scheme Resolution**)

PART C - EXECUTION

If executing as an individual:

EXECUTED by

Name

Signature

Date

OR if executing as a company:

EXECUTED by

Signature of director

Signature of
director/secretary

Name

Name

OR if executing under power of attorney:

SIGNED for _____
under power of attorney in the presence
of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

Address of witness

OR if executing as an employee or agent:

Full Name of TLA Purchaser: _____

Authorised employee/agent of TLA Purchaser
(print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

CERTIFICATE OF WITNESS

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor must not be witnessed by the person nominated as proxy)

I _____, of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked at the instrument.

Dated _____

Signature of witness _____

Description _____

Place of residence _____

This TLA Proxy Form must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this TLA Proxy Form via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS TLA PROXY FORM USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE H

TLA Proof of Debt Form

TLA Proof of Debt Form

Please note to be eligible to vote at the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting, TLA Purchasers must complete and lodge a completed TLA Proof of Debt Form below so that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

TLA Purchasers who wish to participate in the Creditor Share Purchase Option must complete (together with their Permitted CSPO Nominee, if applicable) Part F (*Creditor Share Purchase Option*) of this Proof of Debt Form and lodge the completed Proof of Debt Form with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

Form 535

(subregulation 5.6.49 (2))

(as modified and adopted for the BLY Creditor Schemes)

Capitalised terms in this TLA Proof of Debt Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

All TLA Purchasers must complete **each** of:

- Part A (*Formal Proof of Debt or Claim (General Form) – Secured Creditors' Scheme*)
- Part B (*Formal Proof of Debt or Claim (General Form) – Unsecured Creditors' Scheme*)
- Part C (*BLY Shareholding details*)
- Part D (*Schemes Consideration*)
- Part E (*Execution*)

Those TLA Purchasers who wish to participate in the Creditor Share Purchase Option must complete:

- Part F (*Creditor Share Purchase Option*) below.

PART A: FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM) – SECURED CREDITORS' SCHEME

To the Secured Scheme Administrators of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrait No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394:

This is to state that _____ was on the Voting Entitlement Record Date justly and truly indebted to _____ for TLA Secured Debt in the amount of _____ dollars and _____ cents.

Particulars of the TLA Secured Debt are:

Date	Consideration	Amount	Remarks

For the purposes of voting at the Secured Creditors' Scheme meeting:

- (a) the TLA Purchaser's Claim in relation to their TLA Secured Debt (**Secured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of TLA Secured Debt held by the TLA Purchaser as at the Voting Entitlement Record Date; and
- (b) the Chairperson will then adjudicate upon the Secured Claim, for voting purposes only.

PART B: FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM) – UNSECURED CREDITORS' SCHEME

To the Unsecured Scheme Administrators of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrait No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394:

This is to state that _____ was on the Voting Entitlement Record Date justly and truly indebted to _____ for TLA Unsecured Debt in the amount of _____ dollars and _____ cents.

Particulars of the TLA Unsecured Debt are:

Date	Consideration	Amount	Remarks

For the purposes of voting at the Unsecured Creditors' Scheme meeting:

- (a) the TLA Purchaser's Claim in relation to their TLA Unsecured Debt (**Unsecured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of TLA Unsecured Debt held by the TLA Purchaser as at the Voting Entitlement Record Date; and
- (b) the Chairperson will then adjudicate upon the Unsecured Claim, for voting purposes only.

PART C: BLY SHAREHOLDING DETAILS

Please note this Part C is for information gathering purposes by the Scheme Companies only.

The responses to this Part C will not affect a TLA Purchaser's eligibility or entitlement to vote at the Secured Creditors Scheme Meeting or Unsecured Creditors' Scheme Meeting.

Please tick (and complete where applicable) only ONE of the boxes below.

As at the Voting Entitlement Record Date:

the TLA Purchaser **is** a BLY Shareholder, holding _____ Shares; or

the TLA Purchaser **is not** a BLY Shareholder.

PART D: SCHEMES CONSIDERATION

This Part D is to be completed by (1) the TLA Purchaser **AND**, (2) if applicable, its Designated Recipient.

Section 1: Election for Schemes Consideration

Schemes Consideration:

Any TLA Purchaser who is entitled to receive any:

(a) Secured Scheme Consideration; and/or

(b) Unsecured Scheme Consideration,

(together, the **Schemes Consideration**), may:

(c) in the case of a TLA Purchaser who is not an Ineligible Person, elect to:

(i) receive the Schemes Consideration itself directly; or

(ii) nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or

(d) in the case of a TLA Purchaser who is an Ineligible Person, either:

(i) elect to nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or

(ii) otherwise, the Schemes Consideration to which that TLA Purchaser is entitled will be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).

Designated Recipients:

Any person so nominated as a Designated Recipient must not be an Ineligible Person and must also deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Any such appointment made after the Voting Instruction Deadline will not be accepted, subject to the discretion of the Chairperson. Failure to execute and deliver any signature pages, confirmations and authorisations in the manner prescribed herein will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

Election:

The TLA Purchaser:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction and
 - wishes to receive any Schemes Consideration to which it is entitled directly on the Creditors' Scheme Implementation Date

(please now complete Section 3 (Additional confirmations to receive Schemes Consideration))

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Designated Recipient to receive any Schemes Consideration to which it is entitled on the Creditors' Scheme Implementation Date

(please now complete Section 2 (Nomination of Designated Recipient), Section 3 (Additional confirmations to receive Schemes Consideration))

- confirms that it:
- is located in an Ineligible Jurisdiction;
 - does not wish to nominate a person that is not an Ineligible Person as its Designated Recipient; and
 - understands that any Schemes Consideration to which it is entitled will instead be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Section 2: Nomination of Designated Recipient

The TLA Purchaser wishes to irrevocably and unconditionally nominate the following person:

Full Name of Designated Recipient: _____

Jurisdiction of incorporation of Designated Recipient: _____

Registered address of Designated Recipient: _____

Designated contact of Designated Recipient: _____

E-mail of designated contact: _____

Telephone number (with country code) of designated contact: _____

HIN/SRN (if applicable): _____

as its Designated Recipient to receive its New Common Equity.

(please now complete Section 3 (Additional confirmations to receive Schemes Consideration) below)

Section 3: Additional confirmations to receive Schemes Consideration

By electing to receive its Schemes Consideration and submitting this Part D (*Schemes Consideration*) of this TLA Proof of Debt Form to the Information Agent, the relevant TLA Purchaser or its Designated Recipient, as applicable, confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the TLA Purchaser on whose behalf it is acting) shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Section 3 (select "yes" or "no" as appropriate):

Yes

No

General:

1. The TLA Purchaser:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3 are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3 made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing.

2. The TLA Purchaser:

- (a) acknowledges and agrees that all authority conferred or agreed to be conferred pursuant to this TLA Proof of Debt Form and every obligation of, and every authorisation, instruction and agreement given by, the TLA Purchaser under this TLA Proof of Debt Form (including any elections made in this TLA Proof of Debt Form) shall be binding upon the successors and assigns of the TLA Purchaser (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the TLA Purchaser (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the TLA Purchaser and that all of the information in this TLA Proof of Debt Form is complete and accurate as of the date of submission of this TLA Proof of Debt Form to the Information Agent;
- (b) owns the TLA Secured Debt described in Part A of this TLA Proof of Debt Form and the TLA Unsecured Debt described in Part B of this TLA Proof of Debt Form, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind and such TLA Secured Debt and TLA Unsecured Debt will, subject to paragraphs (3)(a), (3)(b) and (3)(c) below, continue to be held by it up to and including the Creditors' Scheme Implementation Date (excluding, to avoid doubt, any release of such TLA Secured Debt or TLA Unsecured Debt pursuant to the Secured Creditors' Scheme and/or the Unsecured Creditors' Scheme (as applicable)); and

- (c) is legally entitled and able to control the exercise and the casting of votes in relation to the TLA Secured Debt and the TLA Unsecured Debt in the manner set out in this TLA Proof of Debt Form and any TLA Proxy Form and has all requisite power, authority and legal capacity to make and give the confirmations, representations, warranties, waivers and undertakings, and to perform its obligations under such undertakings set out herein.

3. The TLA Purchaser agrees and acknowledges that

- (a) it shall promptly notify the Scheme Companies, by submitting an additional duly completed TLA Proof of Debt Form and, if applicable, TLA Proxy Form, to the Information Agent, of any change (whether an increase or decrease) to the aggregate principal amount of TLA Secured Debt or TLA Unsecured Debt held by it;
- (b) it shall not, from the date of this TLA Proof of Debt Form until the Scheme Effective Date, sell, transfer, assign or otherwise dispose of its interest in all or any part of the Term Loan A to any person unless that person has:
 - (i) submitted a duly completed TLA Proof of Debt Form to the Information Agent in accordance with paragraph (3)(a) above; and
 - (ii) complied with the terms of the RSA.
- (c) it shall, from the Scheme Effective Date, be bound by all transfer restrictions contained in the Secured Creditors' Scheme and Unsecured Creditors' Scheme, including, but not necessarily limited to, those set out at clause 14 of the Secured Creditors' Scheme and clause 14 of the Unsecured Creditors' Scheme;
- (d) it will execute any further documents and give any further assurances that may be required in connection with any of the foregoing;
- (e) it has received, and has reviewed, the BLY Creditor Schemes and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
- (f) it has complied with all laws and regulations applicable to it with respect to the BLY Creditor Schemes and this TLA Proof of Debt Form;
- (g) it is lawful to seek voting instructions from it in respect of the BLY Creditor Schemes;
- (h) it has duly executed any TLA Proxy Form;
- (i) it is assuming all of the risks inherent in its participation in the BLY Creditor Schemes and has undertaken all the appropriate analysis of the implications of participating in the BLY Creditor Schemes for itself without relying on the Scheme Companies or the Information Agent;
- (j) it has not given voting instructions or submitted a TLA Proof of Debt Form with respect to the TLA Secured Debt or TLA Unsecured Debt which is the subject of this TLA Proof of Debt Form;
- (k) neither the Information Agent nor any of its affiliates, directors, officers or employees has made any recommendation to it as to whether, or how, to vote in relation to the BLY Creditor Schemes, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek; and
- (l) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes,

and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Scheme Companies, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.

4. The TLA Purchaser or its Designated Recipient, as applicable:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Creditors' Scheme Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing;
- (c) is not located in an Ineligible Jurisdiction;
- (d) is empowered, authorised and qualified to receive the relevant Creditor Schemes Transaction Securities;
- (e) will accept the relevant Creditor Schemes Transaction Securities on the terms set out in the BLY Creditor Schemes and agrees to be irrevocably and unconditionally bound by the BLY Creditor Schemes;
- (f) consents to become a member of BLY;
- (g) has consulted and will continue to consult its own legal, financial and tax advisers, as needed, with respect to the legal, financial and tax consequences of the BLY Creditor Schemes, the issuance of the relevant Creditor Schemes Transaction Securities and the Restructuring in its particular circumstances;
- (h) confirms that no information has been provided to the TLA Purchaser or its Designated Recipient, as applicable, by any Scheme Company, the Information Agent or any of their respective affiliates, directors, officers, advisers or employees with regard to the tax consequences to that TLA Purchaser or its Designated Recipient, as applicable, arising from voting in favour of the BLY Creditor Schemes, and that it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against any Scheme Company, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments;
- (i) will not offer or resell any Creditor Schemes Transaction Securities, or cause any offer for the resale of Creditor Schemes Transaction Securities, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of Creditor Schemes Transaction Securities would be unlawful under, or cause the Scheme Companies to be in breach of, the securities laws of such state or jurisdiction;
- (j) has complied, and will continue to comply, with all laws and regulations relating to the Creditor Schemes Transaction Securities that apply to it in any place in which it accepts, holds or sells any such Creditor Schemes Transaction Securities. It has

obtained all consents or approvals that it needs in order to receive any Creditor Schemes Transaction Securities and each Scheme Company and the Information Agent are not responsible for compliance with these legal requirements; and

- (k) agrees to execute and deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Such Designated Recipient understands that failure to execute and deliver any required signature pages, confirmations and/or authorisations will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

5. The TLA Purchaser and, if applicable, its Designated Recipient, agrees and acknowledges that:

- (a) damages are not an adequate remedy for its breach of any of the warranties or undertakings set out herein and specific performance and/or relief to compel performance are appropriate remedies for any such breach and any such remedies shall not be exclusive but shall be cumulative and in addition to any other remedies available to the Scheme Companies; and
- (b) the Courts of New South Wales shall have exclusive jurisdiction to hear and determine any dispute, suit, action or proceeding which may arise out of the Explanatory Statement (including this TLA Proof of Debt) or any provision of any of the BLY Creditor Schemes or their implementation or out of any action taken or omitted to be taken under the BLY Creditor Schemes or in connection with the administration of the BLY Creditor Schemes and, for such purposes, each TLA Purchaser irrevocably submits to the jurisdiction of the courts of New South Wales and courts of appeal from them.

New BLY Parent Shares:

The TLA Purchaser or its Designated Recipient, as applicable, acknowledges and agrees that, if the Members' Scheme is approved and becomes effective under section 411(10) of the Corporations Act, each BLY Shareholder at the Members' Scheme Record Date (which may include the TLA Purchaser or its Delegated Recipient, as applicable) will be bound by the terms of the Members' Scheme and, in particular, they will receive New BLY Parent CDIs in exchange for their Shares issued to them under the BLY Creditor Schemes in accordance with the terms of the Members' Scheme.

PART E: EXECUTION

(TO BE COMPLETED BY TLA PURCHASER AND (IF APPLICABLE) DESIGNATED RECIPIENT)

Dated:

TLA PURCHASER:

If executing as an individual:

EXECUTED by

Signature of creditor

Signature of witness

Name

Name

If executing as a company:

EXECUTED by

Signature of director

Signature of
director/secretary

Name

Name

If executing under power of attorney:

SIGNED for

under power of attorney in the
presence of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

If executing as an employee or agent:

Please delete one of the following, as applicable:

1. I am employed by the TLA Purchaser and authorised in writing by the TLA Purchaser to make this statement. I know that the TLA Secured Debt as particularised in Part A of this TLA Proof of Debt Form (the **Relevant TLA Secured Debt**) and the TLA Unsecured Debt as particularised in Part B of this TLA Proof of Debt Form (the **Relevant TLA Unsecured Debt**) were incurred for the consideration stated and that the Relevant TLA Secured Debt and Relevant TLA Unsecured Debt, to the best of my knowledge and belief, remain unpaid and unsatisfied.

OR

2. I am the TLA Purchaser's agent authorised in writing to make this statement in writing. I know the TLA Secured Debt as particularised in Part A of this TLA Proof of Debt Form (the **Relevant TLA Secured Debt**) and the TLA Unsecured Debt as particularised in Part B of this TLA Proof of Debt Form (the **Relevant TLA Unsecured Debt**) were incurred for the consideration stated and that the Relevant TLA Secured Debt and Relevant TLA Unsecured Debt, to the best of my knowledge and belief, remain unpaid and unsatisfied.

Full Name of TLA Purchaser: _____

Authorised employee/agent of TLA Purchaser
(print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

DESIGNATED RECIPIENT (IF APPLICABLE)

Full Name of Designated Recipient: _____

Authorised employee/agent of Designated
Recipient (print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

PART F: CREDITOR SHARE PURCHASE OPTION

(TO BE COMPLETED BY TLA PURCHASER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

This Part F is to be completed by TLA Purchasers (and their Permitted CSPO Nominees, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

In order to confirm its irrevocable agreement to apply for and pay the CSPO Issue Price (defined below) for up to the number of Maximum Committed Securities, the TLA Purchaser (and their Permitted CSPO Nominee, if applicable) must sign and return this Part F of this TLA Proof of Debt Form to the Information Agent by no later than 4.00 p.m. (New York City Time) on 25 August 2021 (the **CSPO Election Deadline**)

Section 1: Election for Creditor Share Purchase Option

Creditor Share Purchase Option:

SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Secured Scheme Creditors or Unsecured Scheme Creditors will have the opportunity subscribe for Shares at an issue price of AU\$2.48 per Share (**CSPO Issue Price**) under the Creditor Share Purchase Option. The total amount to be raised by BLY under the Creditor Share Purchase Option is equal to the aggregate of US\$2.5 million and the SPP Shortfall Amount (the **CSPO Cap Amount**). Shares under the Creditor Share Purchase Option will be issued to Scheme Creditors who elect to participate in the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles described in section 8.8 of the Explanatory Statement.

In each case, a SUN Noteholder, TLA Purchaser, TLB Purchaser and SSN Noteholder may only participate in the Creditor Share Purchase Option if they are not an Ineligible Person or, if they are an Ineligible Person, if they nominate a Permitted CSPO Nominee.

The Shares issued under the Creditor Share Purchase Option will rank equally with BLY's existing fully paid ordinary Shares on issue as at the date of their issue (which will occur after the Share Consolidation). In order to determine their allocation of Shares under the Creditor Share Purchase Option, TLA Purchasers are requested to complete this Part F of this TLA Proof of Debt Form and elect to either:

- **Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or
- **Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which, for the avoidance of doubt, may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles),

(the **Maximum Committed Securities**).

The TLA Purchaser's final allocation will then be determined by BLY in accordance with the CSPO Allocation Principles.

Permitted CSPO Nominee:

TLA Purchasers may nominate another person (who is not an Ineligible Person) to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA, or accedes to the RSA; and
- (b) the TLA Purchaser specifies the Permitted CSPO Nominee's name and details in this Part F of this TLA Proof of Debt Form,

(a **Permitted CSPO Nominee**).

Election:

The TLA Purchaser:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction; and
 - wishes to participate in the Creditor Share Purchase Option.

(please now complete Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Permitted CSPO Nominee to take up their allocation of Shares under the Creditor Share Purchase Option

(please now complete Section 2 (Nomination of Permitted CSPO Nominee), Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Section 2: Nomination of Permitted CSPO Nominee

(This Section 2 shall only be completed if the TLA Purchaser wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the TLA Purchaser's allocation of Shares under the Creditor Share Purchase Option)

The TLA Purchaser wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the TLA Purchaser's allocation of Shares under the Creditor Share Purchase Option:

To be completed for all Permitted CSPO Nominees:

Full Name of Permitted CSPO Nominee: _____

Registered address of Permitted CSPO Nominee: _____

E-mail Address of Permitted CSPO Nominee: _____

Telephone number (with country code): _____

HIN/SRN (if applicable): _____

To be completed if the Permitted CSPO Nominee is an institution:

Jurisdiction of incorporation of Permitted CSPO Nominee: _____

Contact Name: _____

E-mail Address: _____

(please now complete Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

Section 3: Creditor Share Purchase Option Confirmations

By electing to participate in the Creditor Share Purchase Option and submitting this Part F of this TLA Proof of Debt Form to the Information Agent, the TLA Purchaser confirms to BLY and the Information Agent that it agrees that it shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Section 3 on its behalf and, if applicable, on behalf of the Permitted CSPO Nominee (select "yes" or "no" as appropriate):

Yes

No

The TLA Purchaser:

- (a) (if not nominating a Permitted CSPO Nominee) is not located in an Ineligible Jurisdiction;
- (b) (if applicable) the Permitted CSPO Nominee is not located in an Ineligible Jurisdiction;
- (c) irrevocably agrees to apply for, and pay the CSPO Issue Price for the Maximum Committed Securities indicated in Section 4 (*Commitment Confirmation and Acceptance*) of this Part F on the terms of this Part F, the Secured Creditors' Scheme, the Unsecured Creditor Scheme and the Explanatory Statement. This commitment is separate and additional to any other application to acquire Shares the TLA Purchaser may make and any such other acquisition will not reduce the number of Maximum Committed Securities the TLA Purchaser may be required to apply for.

The TLA Purchaser will be sent a separate confirmation of their final allocation as determined by BLY following the CSPO Election Deadline and based on the TLA Purchaser's Maximum Committed Securities and the CSPO Allocation Principles (**Allocation Confirmation**). The Allocation Confirmation will include details of the TLA Purchaser's settlement and payment obligations.

- (d) acknowledges and agrees that BLY may enter into commitment agreements in relation to the Shares under the Creditor Share Purchase Option with other persons and may determine the final allocation in such manner as BLY may, in their discretion, determine provided that such allocation is in accordance with the CSPO Allocation Principles.
- (e) acknowledges and agrees that they will not receive any Shares pursuant to the Creditor Share Purchase Option if:
 - i. the TLA Purchaser does not return a valid and completed Part F of this TLA Proof of Debt Form by the CSPO Election Deadline or does not pay the CSPO Issue Price in respect of the amount confirmed by BLY in their Allocation Confirmation described in (c) above on or before the time outlined by BLY in that Allocation Confirmation;
 - ii. BLY Shareholder approval is not granted for the Creditor Share Purchase Option and the Share Purchase Plan; or
 - iii. the BLY Creditor Schemes do not become Effective.
- (f) acknowledges that the Creditor Share Purchase Option is conditional upon:
 - i. approval by BLY Shareholders of the Creditor Share Purchase Option and Share Purchase Plan at the Shareholder Meeting; and

- ii. the BLY Creditor Schemes becoming Effective.
- (g) warrants that all information provided by them to BLY is true, complete and not misleading or deceptive at the date given and will continue to be true, complete and not misleading or deceptive until the Shares are issued to them under the Creditor Share Purchase Option.
- (h) acknowledges that BLY and each of the other Scheme Companies will rely on the above confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements.
- (i) acknowledges and agrees that allocations are at the sole discretion of BLY provided that such allocations are in accordance with the CSPO Allocation Principles. BLY disclaims any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Section 4: Commitment Confirmation and Acceptance

Details of TLA Purchaser:

Full Name of TLA Purchaser: _____
Address of TLA Purchaser: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

OR

Details of Permitted CSPO Nominee:

Full Name of Permitted CSPO Nominees: _____
Address of Permitted CSPO Nominees: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

Maximum Committed Securities:

The TLA Purchaser or its Permitted CSPO Nominee, as applicable, elects to:

Please tick only ONE of the boxes below.

- Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or

- Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which is specified in the table below. For the avoidance of doubt, this may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles).

If a TLA Purchaser or its Permitted CSPO Nominee selects this Option B they must also complete the table below.

Where Option B is chosen:

Maximum Commitment Amount	AU\$ _____
— CSPO Issue Price	AU\$2.48 per Share
— Maximum Committed Securities	Total Commitment Amount/ CSPO Issue Price = _____ Shares

The TLA Purchaser or its Permitted CSPO Nominee, as applicable, confirm (for the benefit of BLY and the other Scheme Companies):

- (a) their irrevocable agreement to apply for, and pay the CSPO Issue Price per Share for, up to the number of Maximum Committed Securities in accordance with this Part F of this TLA Proof of Debt Form;
- (b) they have read and understood this Part F of this TLA Proof of Debt Form and agree to be bound by its terms, including without limitation the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made by them in connection with the Creditor Share Purchase Option or otherwise; and
- (c) understand that the irrevocable agreement in paragraph (a) above applies notwithstanding that their final allocation and details of their payment and settlement obligations will be provided at a later date in the Allocation Confirmation.

Section 5: Execution

(TO BE COMPLETED BY TLA PURCHASER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

Full Name of TLA Purchaser: _____

Authorised employee of TLA Purchaser (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

AND (IF APPLICABLE)

Full Name of Permitted CSPO Nominee: _____

Authorised employee of Permitted CSPO Nominee (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

This TLA Proof of Debt Form must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this TLA Proof of Debt Form via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS TLA PROOF OF DEBT FORM USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE I
TLB Proxy Form

TLB Proxy Form

Please note:

Any TLB Purchaser who wishes to appoint a proxy in relation to the Secured Creditors' Scheme Meeting and/or Unsecured Creditors' Scheme Meeting must complete and lodge the TLB Proxy Form below so that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

TLB Proxy Form

Form 532

(previously regulation 5.6.29)

(as modified and adopted for the BLY Creditor Schemes)

Capitalised terms in this TLB Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

Please complete **each of** Part A (*Secured Creditors' Scheme Meeting*), Part B (*Unsecured Creditors' Scheme Meeting*) and Part C (*Execution*) below.

PART A - SECURED CREDITORS' SCHEME MEETING

1. APPOINTMENT OF PROXY and voting instructions to proxy

I/We _____ of _____, a creditor of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 or BLY US Holdings Inc. ARBN 649 445 394 appoint:

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 1 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 1 below*)

Name: _____

Address: _____

Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Secured Creditors'
Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Secured Creditors' Scheme Resolution (defined below at paragraph 2)

AGAINST the Secured Creditors' Scheme Resolution (defined below at paragraph 2)

2. SECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT *pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies and the Secured Scheme Creditors, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Secured Creditors' Scheme in any material respect).*

(the **Secured Creditors' Scheme Resolution**)

PART B - UNSECURED CREDITORS' SCHEME MEETING

1. APPOINTMENT OF PROXY AND VOTING INSTRUCTIONS TO PROXY

I/We _____ of _____, a creditor of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrant No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 or BLY US Holdings Inc. ARBN 649 445 394 appoint:

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 1 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 1 below*)

Name: _____

Address: _____

Passport Country and Number / Identification Number of other Government-Issued Photographic Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number / Identification Number of other Government-Issued Photographic Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Unsecured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

- FOR the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2)
- AGAINST the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2)

2. UNSECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Unsecured Creditors' Scheme in any material respect).

(the **Unsecured Creditors' Scheme Resolution**)

PART C - EXECUTION

If executing as an individual:

EXECUTED by

Name

Signature

Date

OR if executing as a company:

EXECUTED by

Signature of director

Signature of
director/secretary

Name

Name

OR if executing under power of attorney:

SIGNED for _____
under power of attorney in the presence
of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

Address of witness

OR if executing as an employee or agent:

Full Name of TLB Purchaser: _____

Authorised employee/agent of TLB Purchaser
(print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

CERTIFICATE OF WITNESS

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor must not be witnessed by the person nominated as proxy)

I _____, of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked at the instrument.

Dated _____

Signature of witness _____

Description _____

Place of residence _____

This TLB Proxy Form must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this TLB Proxy Form via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS TLB PROXY FORM USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE J

TLB Proof of Debt Form

TLB Proof of Debt Form

Please note to be eligible to vote at the Secured Creditors' Scheme Meeting and Unsecured Creditors' Scheme Meeting, TLB Purchasers must complete and lodge a completed TLB Proof of Debt Form below so that it is received by the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

TLB Purchasers who wish to participate in the Creditor Share Purchase Option must complete (together with their Permitted CSPO Nominee, if applicable) Part F (*Creditor Share Purchase Option*) of this Proof of Debt Form and lodge the completed Proof of Debt Form with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

Form 535

(subregulation 5.6.49 (2))

(as modified and adopted for the BLY Creditor Schemes)

Capitalised terms in this TLB Proof of Debt Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

All TLB Purchasers must complete **each** of:

- Part A (*Formal Proof of Debt or Claim (General Form) – Secured Creditors' Scheme*)
- Part B (*Formal Proof of Debt or Claim (General Form) – Unsecured Creditors' Scheme*)
- Part C (*BLY Shareholding details*)
- Part D (*Schemes Consideration*)
- Part E (*Execution*)

Those TLB Purchasers who wish to participate in the Creditor Share Purchase Option must complete:

- Part F (*Creditor Share Purchase Option*) below.

PART A: FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM) – SECURED CREDITORS' SCHEME

To the Secured Scheme Administrators of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrait No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394:

This is to state that _____ was on the Voting Entitlement Record Date justly and truly indebted to _____ for TLB Secured Debt in the amount of _____ dollars and _____ cents.

Particulars of the TLB Secured Debt are:

Date	Consideration	Amount	Remarks

For the purposes of voting at the Secured Creditors' Scheme meeting:

- (a) the TLB Purchaser's Claim in relation to their TLB Secured Debt (**Secured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of TLB Secured Debt held by the TLB Purchaser as at the Voting Entitlement Record Date; and
- (b) the Chairperson will then adjudicate upon the Secured Claim, for voting purposes only.

PART B: FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM) – UNSECURED CREDITORS' SCHEME

To the Unsecured Scheme Administrators of Boart Longyear Limited ACN 123 052 728, Boart Longyear Australia Pty Limited ACN 000 401 025, Boart Longyear Investments Pty Limited ACN 124 070 373, Boart Longyear Management Pty Limited ACN 123 283 545, Votrait No. 1609 Pty Limited ACN 119 244 272, BL Capital Management LLC ARBN 649 445 321 and BLY US Holdings Inc. ARBN 649 445 394:

This is to state that _____ was on the Voting Entitlement Record Date justly and truly indebted to _____ for TLB Unsecured Debt in the amount of _____ dollars and _____ cents.

Particulars of the TLB Unsecured Debt are:

Date	Consideration	Amount	Remarks

For the purposes of voting at the Unsecured Creditors' Scheme meeting:

- (a) the TLB Purchaser's Claim in relation to their TLB Unsecured Debt (**Unsecured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of TLB Unsecured Debt held by the TLB Purchaser as at the Voting Entitlement Record Date; and
- (b) the Chairperson will then adjudicate upon the Unsecured Claim, for voting purposes only.

PART C: BLY SHAREHOLDING DETAILS

Please note this Part C is for information gathering purposes by the Scheme Companies only.

The responses to this Part C will not affect a TLB Purchaser's eligibility or entitlement to vote at the Secured Creditors Scheme Meeting or Unsecured Creditors' Scheme Meeting.

Please tick (and complete where applicable) only ONE of the boxes below.

As at the Voting Entitlement Record Date:

the TLB Purchaser **is** a BLY Shareholder, holding _____ Shares; or

the TLB Purchaser **is not** a BLY Shareholder.

PART D: SCHEMES CONSIDERATION

This Part D is to be completed by (1) the TLB Purchaser AND, (2) if applicable, its Designated Recipient.

Section 1: Election for Schemes Consideration

Schemes Consideration:

Any TLB Purchaser who is entitled to receive any:

(a) Secured Scheme Consideration; and/or

(b) Unsecured Scheme Consideration,

(together, the **Schemes Consideration**), may:

(c) in the case of a TLB Purchaser who is not an Ineligible Person, elect to:

(i) receive the Schemes Consideration itself directly; or

(ii) nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or

(d) in the case of a TLB Purchaser who is an Ineligible Person, either:

(i) elect to nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or

(ii) otherwise, the Schemes Consideration to which that TLB Purchaser is entitled will be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).

Designated Recipients:

Any person so nominated as a Designated Recipient must not be an Ineligible Person and must also deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Any such appointment made after the Voting Instruction Deadline will not be accepted, subject to the discretion of the Chairperson. Failure to execute and deliver any signature pages, confirmations and authorisations in the manner prescribed herein will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

Election:

The TLB Purchaser:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction and
 - wishes to receive any Schemes Consideration to which it is entitled directly on the Creditors' Scheme Implementation Date

(please now complete Section 3 (Additional confirmations to receive Schemes Consideration))

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Designated Recipient to receive any Schemes Consideration to which it is entitled on the Creditors' Scheme Implementation Date

(please now complete Section 2 (Nomination of Designated Recipient), Section 3 (Additional confirmations to receive Schemes Consideration))

- confirms that it:
- is located in an Ineligible Jurisdiction;
 - does not wish to nominate a person that is not an Ineligible Person as its Designated Recipient; and
 - understands that any Schemes Consideration to which it is entitled will instead be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Section 2: Nomination of Designated Recipient

The TLB Purchaser wishes to irrevocably and unconditionally nominate the following person:

Full Name of Designated Recipient:

Jurisdiction of incorporation of Designated Recipient:

Registered address of Designated Recipient:

Designated contact of Designated Recipient:

E-mail of designated contact:

Telephone number (with country code) of designated contact:

HIN/SRN (if applicable):

as its Designated Recipient to receive its New Common Equity.

(please now complete Section 3 (Additional confirmations to receive Schemes Consideration) below)

Section 3: Additional confirmations to receive Schemes Consideration

By electing to receive its Schemes Consideration and submitting this Part D (*Schemes Consideration*) of this TLB Proof of Debt Form to the Information Agent, the relevant TLB Purchaser or its Designated Recipient, as applicable, confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the TLB Purchaser on whose behalf it is acting) shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Section 3 (select "yes" or "no" as appropriate):

Yes

No

General:

1. The TLB Purchaser:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3 are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements in this Section 3 made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing.

2. The TLB Purchaser:

- (a) acknowledges and agrees that all authority conferred or agreed to be conferred pursuant to this TLB Proof of Debt Form and every obligation of, and every authorisation, instruction and agreement given by, the TLB Purchaser under this TLB Proof of Debt Form (including any elections made in this TLB Proof of Debt Form) shall be binding upon the successors and assigns of the TLB Purchaser (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the TLB Purchaser (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the TLB Purchaser and that all of the information in this TLB Proof of Debt Form is complete and accurate as of the date of submission of this TLB Proof of Debt Form to the Information Agent;
- (b) owns the TLB Secured Debt described in Part A of this TLB Proof of Debt Form and the TLB Unsecured Debt described in Part B of this TLB Proof of Debt Form, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind and such TLB Secured Debt and TLB Unsecured Debt will, subject to paragraphs (3)(a), (3)(b) and (3)(c) below, continue to be held by it up to and including the Creditors' Scheme Implementation Date (excluding, to avoid doubt, any release of such TLB Secured Debt or TLB Unsecured Debt pursuant to the Secured Creditors' Scheme and/or the Unsecured Creditors' Scheme (as applicable)); and
- (c) is legally entitled and able to control the exercise and the casting of votes in relation to the TLB Secured Debt and the TLB Unsecured Debt in the manner set out in this

TLB Proof of Debt Form and any TLB Proxy Form and has all requisite power, authority and legal capacity to make and give the confirmations, representations, warranties, waivers and undertakings, and to perform its obligations under such undertakings set out herein.

3. The TLB Purchaser agrees and acknowledges that

- (a) it shall promptly notify the Scheme Companies, by submitting an additional duly completed TLB Proof of Debt Form and, if applicable, TLB Proxy Form, to the Information Agent, of any change (whether an increase or decrease) to the aggregate principal amount of TLB Secured Debt or TLB Unsecured Debt held by it;
- (b) it shall not, from the date of this TLB Proof of Debt Form until the Scheme Effective Date, sell, transfer, assign or otherwise dispose of its interest in all or any part of the Term Loan B to any person unless that person has:
 - (i) submitted a duly completed TLB Proof of Debt Form to the Information Agent in accordance with paragraph (3)(a) above; and
 - (ii) complied with the terms of the RSA.
- (c) it shall, from the Scheme Effective Date, be bound by all transfer restrictions contained in the Secured Creditors' Scheme and Unsecured Creditors' Scheme, including, but not necessarily limited to, those set out at clause 14 of the Secured Creditors' Scheme and clause 14 of the Unsecured Creditors' Scheme;
- (d) it will execute any further documents and give any further assurances that may be required in connection with any of the foregoing;
- (e) it has received, and has reviewed, the BLY Creditor Schemes and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
- (f) it has complied with all laws and regulations applicable to it with respect to the BLY Creditor Schemes and this TLB Proof of Debt Form;
- (g) it is lawful to seek voting instructions from it in respect of the BLY Creditor Schemes;
- (h) it has duly executed any TLB Proxy Form;
- (i) it is assuming all of the risks inherent in its participation in the BLY Creditor Schemes and has undertaken all the appropriate analysis of the implications of participating in the BLY Creditor Schemes for itself without relying on the Scheme Companies or the Information Agent;
- (j) it has not given voting instructions or submitted a TLB Proof of Debt Form with respect to the TLB Secured Debt or TLB Unsecured Debt which is the subject of this TLB Proof of Debt Form;
- (k) neither the Information Agent nor any of its affiliates, directors, officers or employees has made any recommendation to it as to whether, or how, to vote in relation to the BLY Creditor Schemes, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek; and
- (l) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Scheme Companies, the

Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.

4. The TLB Purchaser or its Designated Recipient, as applicable:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Creditors' Scheme Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing;
- (c) is not located in an Ineligible Jurisdiction;
- (d) is empowered, authorised and qualified to receive the relevant Creditor Schemes Transaction Securities;
- (e) will accept the relevant Creditor Schemes Transaction Securities on the terms set out in the BLY Creditor Schemes and agrees to be irrevocably and unconditionally bound by the BLY Creditor Schemes;
- (f) consents to become a member of BLY;
- (g) has consulted and will continue to consult its own legal, financial and tax advisers, as needed, with respect to the legal, financial and tax consequences of the BLY Creditor Schemes, the issuance of the relevant Creditor Schemes Transaction Securities and the Restructuring in its particular circumstances;
- (h) confirms that no information has been provided to the TLB Purchaser or its Designated Recipient, as applicable, by any Scheme Company, the Information Agent or any of their respective affiliates, directors, officers, advisers or employees with regard to the tax consequences to that TLB Purchaser or its Designated Recipient, as applicable, arising from voting in favour of the BLY Creditor Schemes, and that it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against any Scheme Company, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments;
- (i) will not offer or resell any Creditor Schemes Transaction Securities, or cause any offer for the resale of Creditor Schemes Transaction Securities, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of Creditor Schemes Transaction Securities would be unlawful under, or cause the Scheme Companies to be in breach of, the securities laws of such state or jurisdiction;
- (j) has complied, and will continue to comply, with all laws and regulations relating to the Creditor Schemes Transaction Securities that apply to it in any place in which it accepts, holds or sells any such Creditor Schemes Transaction Securities. It has obtained all consents or approvals that it needs in order to receive any Creditor Schemes Transaction Securities and each Scheme Company and the Information Agent are not responsible for compliance with these legal requirements; and

- (k) agrees to execute and deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Such Designated Recipient understands that failure to execute and deliver any required signature pages, confirmations and/or authorisations will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

5. The TLB Purchaser and, if applicable, its Designated Recipient, agrees and acknowledges that:

- (a) damages are not an adequate remedy for its breach of any of the warranties or undertakings set out herein and specific performance and/or relief to compel performance are appropriate remedies for any such breach and any such remedies shall not be exclusive but shall be cumulative and in addition to any other remedies available to the Scheme Companies; and
- (b) the Courts of New South Wales shall have exclusive jurisdiction to hear and determine any dispute, suit, action or proceeding which may arise out of the Explanatory Statement (including this TLB Proof of Debt) or any provision of any of the BLY Creditor Schemes or their implementation or out of any action taken or omitted to be taken under the BLY Creditor Schemes or in connection with the administration of the BLY Creditor Schemes and, for such purposes, each TLB Purchaser irrevocably submits to the jurisdiction of the courts of New South Wales and courts of appeal from them.

New BLY Parent Shares:

The TLB Purchaser or its Designated Recipient, as applicable, acknowledges and agrees that, if the Members' Scheme is approved and becomes effective under section 411(10) of the Corporations Act, each BLY Shareholder at the Members' Scheme Record Date (which may include the TLB Purchaser or its Delegated Recipient, as applicable) will be bound by the terms of the Members' Scheme and, in particular, they will receive New BLY Parent CDIs in exchange for their Shares issued to them under the BLY Creditor Schemes in accordance with the terms of the Members' Scheme.

PART E: EXECUTION

(TO BE COMPLETED BY TLA PURCHASER AND (IF APPLICABLE) DESIGNATED RECIPIENT)

Dated:

TLA PURCHASER:

If executing as an individual:

EXECUTED by

Signature of creditor

Signature of witness

Name

Name

If executing as a company:

EXECUTED by

Signature of director

Signature of
director/secretary

Name

Name

If executing under power of attorney:

SIGNED for

under power of attorney in the
presence of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

If executing as an employee or agent:

Please delete one of the following, as applicable:

1. I am employed by the TLB Purchaser and authorised in writing by the TLB Purchaser to make this statement. I know that the TLB Secured Debt as particularised in Part A of this TLB Proof of Debt Form (the **Relevant TLB Secured Debt**) and the TLB Unsecured Debt as particularised in Part B of this TLB Proof of Debt Form (the **Relevant TLB Unsecured Debt**) were incurred for the consideration stated and that the Relevant TLB Secured Debt and Relevant TLB Unsecured Debt, to the best of my knowledge and belief, remain unpaid and unsatisfied.

OR

2. I am the TLB Purchaser's agent authorised in writing to make this statement in writing. I know the TLB Secured Debt as particularised in Part A of this TLB Proof of Debt Form (the **Relevant TLB Secured Debt**) and the TLB Unsecured Debt as particularised in Part B of this TLB Proof of Debt Form (the **Relevant TLB Unsecured Debt**) were incurred for the consideration stated and that the Relevant TLB Secured Debt and Relevant TLB Unsecured Debt, to the best of my knowledge and belief, remain unpaid and unsatisfied.

Full Name of TLB Purchaser: _____

Authorised employee/agent of TLB Purchaser
(print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

DESIGNATED RECIPIENT (IF APPLICABLE)

Full Name of Designated Recipient: _____

Authorised employee/agent of Designated
Recipient (print name): _____

Title of authorised employee/agent _____

Telephone number of authorised
employee/agent: _____

E-mail of authorised employee/agent: _____

Authorised employee/agent signature: _____

Date: _____

PART F: CREDITOR SHARE PURCHASE OPTION

(TO BE COMPLETED BY TLB PURCHASER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

This Part F is to be completed by TLB Purchasers (and their Permitted CSPO Nominees, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

In order to confirm its irrevocable agreement to apply for and pay the CSPO Issue Price (defined below) for up to the number of Maximum Committed Securities, the TLB Purchaser (and their Permitted CSPO Nominee, if applicable) must sign and return this Part F of this TLB Proof of Debt Form to the Information Agent by no later than 4.00 p.m. (New York City Time) on 25 August 2021 (the **CSPO Election Deadline**)

Section 1: Election for Creditor Share Purchase Option

Creditor Share Purchase Option:

SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Secured Scheme Creditors or Unsecured Scheme Creditors will have the opportunity subscribe for Shares at an issue price of AU\$2.48 per Share (**CSPO Issue Price**) under the Creditor Share Purchase Option. The total amount to be raised by BLY under the Creditor Share Purchase Option is equal to the aggregate of US\$2.5 million and the SPP Shortfall Amount (the **CSPO Cap Amount**). Shares under the Creditor Share Purchase Option will be issued to Scheme Creditors who elect to participate in the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles described in section 8.8 of the Explanatory Statement.

In each case, a SUN Noteholder, TLA Purchaser, TLB Purchaser and SSN Noteholder may only participate in the Creditor Share Purchase Option if they are not an Ineligible Person or, if they are an Ineligible Person, if they nominate a Permitted CSPO Nominee.

The Shares issued under the Creditor Share Purchase Option will rank equally with BLY's existing fully paid ordinary Shares on issue as at the date of their issue (which will occur after the Share Consolidation). In order to determine their allocation of Shares under the Creditor Share Purchase Option, TLB Purchasers are requested to complete this Part F of this TLB Proof of Debt Form and elect to either:

- **Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or
- **Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which, for the avoidance of doubt, may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles),

(the **Maximum Committed Securities**).

The TLB Purchaser's final allocation will then be determined by BLY in accordance with the CSPO Allocation Principles.

Permitted CSPO Nominee:

TLB Purchasers may nominate another person (who is not an Ineligible Person) to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA, or accedes to the RSA; and

(b) the TLB Purchaser specifies the Permitted CSPO Nominee's name and details in this Part F of this TLB Proof of Debt Form,

(a **Permitted CSPO Nominee**).

Election:

The TLB Purchaser:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction; and
 - wishes to participate in the Creditor Share Purchase Option.

(please now complete Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Permitted CSPO Nominee to take up their allocation of Shares under the Creditor Share Purchase Option

(please now complete Section 2 (Nomination of Permitted CSPO Nominee), Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Section 2: Nomination of Permitted CSPO Nominee

(This Section 2 shall only be completed if the TLB Purchaser wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the TLB Purchaser's allocation of Shares under the Creditor Share Purchase Option)

The TLB Purchaser wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the TLB Purchaser's allocation of Shares under the Creditor Share Purchase Option:

To be completed for all Permitted CSPO Nominees:

Full Name of Permitted CSPO Nominee: _____

Registered address of Permitted CSPO Nominee: _____

E-mail Address of Permitted CSPO Nominee: _____

Telephone number (with country code): _____

HIN/SRN (if applicable): _____

To be completed if the Permitted CSPO Nominee is an institution:

Jurisdiction of incorporation of Permitted CSPO Nominee: _____

Contact Name: _____

E-mail Address: _____

(please now complete Section 3 (Creditor Share Purchase Option Confirmations), Section 4 (Commitment Confirmation and Acceptance) and Section 5 (Execution) below)

Section 3: Creditor Share Purchase Option Confirmations

By electing to participate in the Creditor Share Purchase Option and submitting this Part F of this TLB Proof of Debt Form to the Information Agent, the TLB Purchaser confirms to BLY and the Information Agent that it agrees that it shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Section 3 on its behalf and, if applicable, on behalf of the Permitted CSPO Nominee (select "yes" or "no" as appropriate):

Yes

No

The TLB Purchaser:

- (a) (if not nominating a Permitted CSPO Nominee) is not located in an Ineligible Jurisdiction;
- (b) (if applicable) the Permitted CSPO Nominee is not located in an Ineligible Jurisdiction;
- (c) irrevocably agrees to apply for, and pay the CSPO Issue Price for the Maximum Committed Securities indicated in Section 4 (*Commitment Confirmation and Acceptance*) of this Part F on the terms of this Part F, the Secured Creditors' Scheme, the Unsecured Creditor Scheme and the Explanatory Statement. This commitment is separate and additional to any other application to acquire Shares the TLB Purchaser may make and any such other acquisition will not reduce the number of Maximum Committed Securities the TLB Purchaser may be required to apply for.

The TLB Purchaser will be sent a separate confirmation of their final allocation as determined by BLY following the CSPO Election Deadline and based on the TLB Purchaser's Maximum Committed Securities and the CSPO Allocation Principles (**Allocation Confirmation**). The Allocation Confirmation will include details of the TLB Purchaser's settlement and payment obligations.

- (d) acknowledges and agrees that BLY may enter into commitment agreements in relation to the Shares under the Creditor Share Purchase Option with other persons and may determine the final allocation in such manner as BLY may, in their discretion, determine provided that such allocation is in accordance with the CSPO Allocation Principles.
- (e) acknowledges and agrees that they will not receive any Shares pursuant to the Creditor Share Purchase Option if:
 - i. the TLB Purchaser does not return a valid and completed Part F of this TLB Proof of Debt Form by the CSPO Election Deadline or does not pay the CSPO Issue Price in respect of the amount confirmed by BLY in their Allocation Confirmation described in (c) above on or before the time outlined by BLY in that Allocation Confirmation;
 - ii. BLY Shareholder approval is not granted for the Creditor Share Purchase Option and the Share Purchase Plan; or
 - iii. the BLY Creditor Schemes do not become Effective.
- (f) acknowledges that the Creditor Share Purchase Option is conditional upon:
 - i. approval by BLY Shareholders of the Creditor Share Purchase Option and Share Purchase Plan at the Shareholder Meeting; and
 - ii. the BLY Creditor Schemes becoming Effective.

- (g) warrants that all information provided by them to BLY is true, complete and not misleading or deceptive at the date given and will continue to be true, complete and not misleading or deceptive until the Shares are issued to them under the Creditor Share Purchase Option.
- (h) acknowledges that BLY and each of the other Scheme Companies will rely on the above confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements.
- (i) acknowledges and agrees that allocations are at the sole discretion of BLY provided that such allocations are in accordance with the CSPO Allocation Principles. BLY disclaims any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Section 4: Commitment Confirmation and Acceptance

Details of TLB Purchaser:

Full Name of TLB Purchaser: _____
Address of TLB Purchaser: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

OR

Details of Permitted CSPO Nominee:

Full Name of Permitted CSPO Nominees: _____
Address of Permitted CSPO Nominees: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

Maximum Committed Securities:

The TLB Purchaser or its Permitted CSPO Nominee, as applicable, elects to:

Please tick only ONE of the boxes below.

- Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or

- Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which is specified in the table below. For the avoidance of doubt, this may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles).

If a TLB Purchaser or its Permitted CSPO Nominee selects this Option B they must also complete the table below.

Where Option B is chosen:

Maximum Commitment Amount	AU\$ _____
— CSPO Issue Price	AU\$2.48 per Share
— Maximum Committed Securities	Total Commitment Amount/ CSPO Issue Price = _____ Shares

The TLB Purchaser or its Permitted CSPO Nominee, as applicable, confirm (for the benefit of BLY and the other Scheme Companies):

- (a) their irrevocable agreement to apply for, and pay the CSPO Issue Price per Share for, up to the number of Maximum Committed Securities in accordance with this Part F of this TLB Proof of Debt Form;
- (b) they have read and understood this Part F of this TLB Proof of Debt Form and agree to be bound by its terms, including without limitation the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made by them in connection with the Creditor Share Purchase Option or otherwise; and
- (c) understand that the irrevocable agreement in paragraph (a) above applies notwithstanding that their final allocation and details of their payment and settlement obligations will be provided at a later date in the Allocation Confirmation.

Section 5: Execution

(TO BE COMPLETED BY TLB PURCHASER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

Full Name of TLB Purchaser: _____

Authorised employee of TLB Purchaser (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

AND (IF APPLICABLE)

Full Name of Permitted CSPO Nominee: _____

Authorised employee of Permitted CSPO Nominee (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

This TLB Proof of Debt Form must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this TLB Proof of Debt Form via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS TLB PROOF OF DEBT FORM USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE K

SSN Account Holder Letter

SSN Account Holder Letter

Please note:

- 1. In order for SSN Noteholders to be eligible to vote at the Scheme Meetings in relation to their SSN Secured Debt and SSN Unsecured Debt, their respective Account Holders must:**
 - a. complete a SSN Account Holder Letter on behalf of the SSN Noteholder, in accordance with the SSN Noteholder's instructions; and
 - b. lodge the completed SSN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

- 2. In order for SSN Noteholders to be eligible to receive their Secured Scheme Consideration and Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, in addition to returning their respective SSN Account Holder Letters as described above, they must ensure that the Account Holder:**
 - a. delivers Custody Instructions to DTC in relation to the Relevant Notes; and
 - b. provides confirmation of the Custody Instructions to the Information Agent, during the Scheme Consideration Election Window (being the date notified by BLY being at least 5 Business Days prior to the Scheme Effective Date in both BLY Creditor Schemes up to (but not including) the Scheme Effective Date in both BLY Creditor Schemes).

- 3. SSN Noteholders who wish to participate in the Creditor Share Purchase Option must:**
 - a. complete (together with their Permitted CSPO Nominee, if applicable) Section 4 (*Creditor Share Purchase Option*) of this Account Holder Letter; and
 - b. lodge the completed SSN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

SSN ACCOUNT HOLDER LETTER

For use by Account Holders in respect of:

12.0% / 10.0% Senior Secured PIK Toggle Notes due 2022 (the **SSN Indenture Notes**)

issued by

BOART LONGYEAR MANAGEMENT PTY LIMITED

in relation to the BLY Creditor Schemes.

Capitalised terms in this SSN Account Holder Letter that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

Purpose of SSN Account Holder Letter:

Section 1 (*Key Information*) and **Section 2** (*Voting*) of this SSN Account Holder Letter must be completed by Account Holders, on behalf of SSN Noteholders, upon the written instructions of the relevant SSN Noteholders.

Account Holders must use this SSN Account Holder Letter in order to, on behalf of the relevant SSN Noteholders:

- a. register details of the relevant SSN Noteholder and their respective SSN Indenture Notes holding (at **Section 1 (Key Information)**);
- b. confirm if the relevant SSN Noteholder is a BLY Shareholder as at the Voting Entitlement Record Date (at **Section 1 (Key Information)**, noting that this information is required for information gathering purposes only and will not affect the relevant SSN Noteholder's eligibility or entitlement to vote at the Secured Creditors Scheme Meeting or Unsecured Creditors' Scheme Meeting).
- c. make certain elections with respect to voting for the purposes of the Secured Creditors' Scheme (at **Part A of Section 2 (Voting)**); and
- d. make certain elections with respect to voting for the purposes of the Unsecured Creditors' Scheme (at **Part B of Section 2 (Voting)**).

Section 3 (*Schemes Consideration*) of this SSN Account Holder Letter must be completed by SSN Noteholders or their Designated Recipients, as applicable, in order to provide certain confirmations in relation to their respective Schemes Consideration (as defined at Section 3 (*Schemes Consideration*)).

Section 4 (*Creditor Share Purchase Option*) must be completed by any SSN Noteholders (and their Permitted CSPO Nominee, if applicable) who wish to participate in the Creditor Share Purchase Option.

INSTRUCTIONS AND DEADLINES FOR SSN ACCOUNT HOLDER LETTER

THIS SSN ACCOUNT HOLDER LETTER HAS FOUR SECTIONS:

Section 1 (Key Information):

In order for this SSN Account Holder Letter to be valid and the votes submitted in Section 2 (*Voting*) to be effective:

1. the details set out in Parts A (*SSN Noteholder Details*) and B (*Holding Details*) of Section 1 (*Key Information*) must be completed in full;
2. the confirmations contained in Part D (*Confirmations*) of Section 1 (*Key Information*) must be affirmatively confirmed; and
3. this SSN Account Holder Letter must be signed by the Account Holder under Part E (*Execution*) of Section 1 (*Key Information*).

Section 2 (Voting):

In order to effect votes in respect of the BLY Creditor Schemes, **both** Part A and Part B of Section 2 (*Voting*) must be completed in full.

To effect a vote by way of proxy in relation to the Secured Creditors' Scheme Meeting, a proxy must be appointed under paragraphs (1) and (3) of Part A of Section 2 (*Voting*).

To effect a vote by way of proxy in relation to the Unsecured Creditors' Scheme Meeting, a proxy must be appointed under paragraphs (1) and (3) of Part B of Section 2 (*Voting*).

Section 3 (Schemes Consideration):

Each SSN Noteholder may elect to directly receive, or to nominate a Designated Recipient to receive, its Schemes Consideration (as defined in Section 3 (*Schemes Consideration*)) on the Creditors' Scheme Implementation Date to which it is entitled, by completing Part A (*Election for Schemes Consideration*) and, if applicable, Part B (*Nomination of Designated Recipient*), of Section 3 (*Schemes Consideration*).

In order to receive the Schemes Consideration on the Creditors' Scheme Implementation Date, the representations contained in Part C (*Additional Confirmations to Schemes Consideration*) of Section 3 (*Schemes Consideration*) must be affirmatively confirmed by the SSN Noteholder or by its Designated Recipient, as applicable.

Section 4 (Creditor Share Purchase Option):

Section 4 (*Creditor Share Purchase Option*) must be completed and submitted by the Relevant SSN Noteholder (and their Permitted CSPO Nominee, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

COMPLETION, DELIVERY AND SUBMISSION:

A separate SSN Account Holder Letter must be completed and submitted to the Information Agent in respect of each separate beneficial holding of, or interest in, any of the SSN Indenture Notes.

Each relevant part of this SSN Account Holder Letter must be completed and submitted to the Information Agent.

You may submit this SSN Account Holder Letter via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY SUBMIT THIS SSN ACCOUNT HOLDER USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

Each SSN Account Holder Letter must be received by the Information Agent by no later than 4.00 p.m. (New York City Time) on 25 August 2021 (the **Voting Instruction Deadline**).

SSN Account Holder Letters received after the Voting Instruction Deadline will not constitute valid voting instructions for the purposes of the BLY Creditor Schemes, subject to the discretion of the Chairperson.

Before any part of this SSN Account Holder Letter is completed, Account Holders and SSN Noteholders are strongly advised to read the Explanatory Statement and the BLY Creditor Schemes provided with this SSN Account Holder Letter.

In the event that the BLY Creditor Schemes become effective:

- a. the Secured Creditors' Scheme will be binding upon all Secured Scheme Creditors, including any Secured Scheme Creditors that did not vote in favour of the Secured Creditors' Scheme, and those that did not attend, or vote at, the Secured Creditors' Scheme Meeting; and**
- b. the Unsecured Creditors' Scheme will be binding upon all Unsecured Scheme Creditors, including any Unsecured Scheme Creditors that did not vote in favour of the Unsecured Creditors' Scheme, and those that did not attend, or vote at, the Unsecured Creditors' Scheme Meeting.**

This SSN Account Holder Letter, and any obligations arising out of or in relation to this SSN Account Holder Letter, shall be governed by, and interpreted in accordance with, the laws of the State of New South Wales.

For assistance contact the Information Agent:

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com

Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

SECTION 1: KEY INFORMATION

(TO BE COMPLETED BY ACCOUNT HOLDER)

Irrespective of any elections made under any other Section of this SSN Account Holder Letter, any SSN Account Holder Letter received by the Information Agent that does not include all information requested in this Section will not constitute a validly completed SSN Account Holder Letter.

Part A: SSN Noteholder Details

Please identify the SSN Noteholder (that is, the person that is the beneficial owner of and/or the holder of the ultimate economic interest in the SSN Indenture Notes, held in global form through DTC) on whose behalf you are submitting this SSN Account Holder Letter (the **Relevant SSN Noteholder**).

To be completed for all Relevant SSN Noteholders:

Full Name of Relevant SSN Noteholder: _____
Address of Relevant SSN Noteholder: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN for existing BLY Share holdings
(if applicable) _____

To be completed if the Relevant SSN Noteholder is an institution:

Jurisdiction of incorporation of Relevant
SSN Noteholder: _____
Contact Name: _____
E-mail Address: _____

To be completed if the Relevant SSN Noteholder is an investment fund, managed account, discretionary account or similar over which a manager, investment adviser or general partner has discretionary authority:

Name of Investment: _____
Manager / Investment Adviser / General
Partner: _____

Part B: Holding Details

Please complete paragraph 1 below.

1. HOLDING DETAILS – SSN INDENTURE NOTES

The Account Holder, on behalf of the Relevant SSN Noteholder, holds the following SSN Indenture Notes to which this SSN Account Holder Letter relates, which are currently held in global form through DTC:

CUSIP/ISIN	Principal Amount ²⁵	DTC Account Number

(together, the **Relevant Notes**)

2. CALCULATION OF CLAIMS FOR VOTING PURPOSES

Secured Creditors' Scheme Meeting

For the purposes of voting at the Secured Creditors' Scheme Meeting:

- (a) the Relevant SSN Noteholder's Claim (**Secured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of SSN Secured Debt held by the Relevant SSN Noteholder pursuant to the Relevant Notes as at the Voting Entitlement Record Date (the **Relevant SSN Secured Debt**); and
- (b) the Chairperson will then adjudicate upon the Secured Claim, for voting purposes only.

Unsecured Creditors' Scheme Meeting

For the purposes of voting at the Unsecured Creditors' Scheme Meeting:

- (a) the Relevant SSN Noteholder's Claim (**Unsecured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of SSN Unsecured Debt held by the Relevant SSN Noteholder pursuant to the Relevant Notes as at the Voting Entitlement Record Date (the **Relevant SSN Unsecured Debt**); and
- (b) the Chairperson will then adjudicate upon the Unsecured Claim, for voting purposes only.

3. SCHEMES CONSIDERATION

PLEASE NOTE: In order for the Relevant SSN Noteholder to receive their Secured Scheme Consideration and Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, they must ensure that the Account Holder:

- (a) delivers Custody Instructions to DTC in relation to the Relevant Notes; and
- (b) provides confirmation of the Custody Instructions to the Information Agent;

²⁵ The amount entered should be the entire principal amount of SSN Indenture Notes in respect of which the Account Holder is giving instructions on behalf of the Relevant SSN Noteholder pursuant to this SSN Account Holder Letter. If the Account Holder holds SSN Indenture Notes in respect of which it is not giving instructions pursuant to this SSN Account Holder Letter, this amount should not be stated and is not required to be notified.

during the Scheme Consideration Election Window.

Part C: BLY Shareholding Details

Please note this Part C is for information gathering purposes by the Scheme Companies only.

The responses to this Part C will not affect the Relevant SSN Noteholder's eligibility or entitlement to vote at the Secured Creditors Scheme Meeting or Unsecured Creditors' Scheme Meeting.

Please tick (and complete where applicable) only ONE of the boxes below.

As at the Voting Entitlement Record Date:

the Relevant SSN Noteholder **is** a BLY Shareholder, holding _____ Shares; or

the Relevant SSN Noteholder **is not** a BLY Shareholder.

Part D: Confirmations

By submitting this SSN Account Holder Letter to the Information Agent, the Account Holder confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the Relevant SSN Noteholder, on whose behalf it is acting) shall be deemed to have made and given the confirmations, representations, warranties, waivers and undertakings set out in this Part D (select "yes" or "no" as appropriate):

Yes

No

1. All authority conferred or agreed to be conferred pursuant to this SSN Account Holder Letter and every obligation of, and every authorisation, instruction and agreement given by, the Account Holder under this SSN Account Holder Letter (including any elections made in this SSN Account Holder Letter) shall be binding upon the successors and assigns of the Account Holder (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Account Holder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the Account Holder and that all of the information in this SSN Account Holder Letter is complete and accurate as of the date of submission of this SSN Account Holder Letter to the Information Agent.
2. The Relevant Notes identified in Part B (*Holding Details*) of this Section 1 (*Key Information*) of this SSN Account Holder Letter:
 - (a) are held by it (directly or indirectly) or on its behalf at DTC at the time of submission of this SSN Account Holder Letter;
 - (b) are (or were) held by it (directly or indirectly) or on its behalf at DTC as at the Voting Entitlement Record Date, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind; and
 - (c) will, subject to paragraphs (4)(a), (4)(b) and (4)(c) below, continue to be held by it (directly or indirectly) or on its behalf at DTC up to and including the Creditors' Scheme Implementation Date (excluding, to avoid doubt, any release of such Relevant Notes pursuant to the Secured Creditors' Scheme and/or the Unsecured Creditors' Scheme (as applicable)).
3. The Account Holder:
 - (a) is legally entitled and able to control the exercise and the casting of votes in relation to the Relevant Notes, the Relevant SSN Secured Debt and the Relevant SSN Unsecured Debt in the manner set out in this SSN Account Holder Letter; and
 - (b) has all requisite power, authority and legal capacity to make and give the confirmations, representations, warranties, waivers and undertakings, and to perform its obligations under such undertakings, set out in this Part D on behalf of the Relevant SSN Noteholder.
4. The Account Holder, and/or the Relevant SSN Noteholder on whose behalf it is acting (as applicable) agrees and acknowledges that:
 - (a) it shall promptly notify the Scheme Companies, by submitting an additional SSN Account Holder Letter (with Section 1 (*Key Information*) duly completed including the confirmations set out in this Part D of Section 1 of that SSN Account Holder

- Letter) to the Information Agent, of any change (whether an increase or decrease) to the aggregate principal amount of SSN Indenture Notes held by it;
- (b) it shall not, from the date of this SSN Account Holder Letter until the Scheme Effective Date, sell, transfer, assign or otherwise dispose of its interest in all or any part of the Relevant Notes to any person unless that person has:
 - (i) submitted an SSN Account Holder Letter to the Information Agent in accordance with paragraph (4)(a) above; and
 - (ii) if the person assigning or transferring its interest in all or any part of the Relevant Notes is a party to the RSA, complied with the terms of the RSA.
 - (c) it shall, from the Scheme Effective Date, be bound by all transfer restrictions contained in the Secured Creditors' Scheme and Unsecured Creditors' Scheme, including, but not necessarily limited to, those set out at clause 14 of the Secured Creditors' Scheme and clause 14 of the Unsecured Creditors' Scheme;
 - (d) it will execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions;
 - (e) it has received, and has reviewed, the BLY Creditor Schemes and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
 - (f) it has complied with all laws and regulations applicable to it with respect to the BLY Creditor Schemes and this SSN Account Holder Letter;
 - (g) it is lawful to seek voting instructions from it in respect of the BLY Creditor Schemes;
 - (h) it is assuming all of the risks inherent in its participation in the BLY Creditor Schemes and has undertaken all the appropriate analysis of the implications of participating in the BLY Creditor Schemes for itself without relying on the Scheme Companies or the Information Agent;
 - (i) it has not given voting instructions or submitted an SSN Account Holder Letter with respect to SSN Indenture Notes other than the Relevant Notes which are the subject of this SSN Account Holder Letter;
 - (j) neither the Information Agent nor any of its affiliates, directors, officers or employees has made any recommendation to it as to whether, or how, to vote in relation to the BLY Creditor Schemes, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek; and
 - (k) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Scheme Companies, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.
5. The Account Holder, and/or the Relevant SSN Noteholder on whose behalf it is acting (as applicable) agrees and acknowledges that:
- (a) damages are not an adequate remedy for its breach of any of the warranties or undertakings set out herein and specific performance and/or relief to compel performance are appropriate remedies for any such breach and any such remedies

shall not be exclusive but shall be cumulative and in addition to any other remedies available to the Scheme Companies; and

- (b) the Courts of New South Wales shall have exclusive jurisdiction to hear and determine any dispute, suit, action or proceeding which may arise out of the Explanatory Statement (including this SSN Account Holder Letter) or any provision of any of the BLY Creditor Schemes or their implementation or out of any action taken or omitted to be taken under the BLY Creditor Schemes or in connection with the administration of the BLY Creditor Schemes and, for such purposes, each SSN Noteholder irrevocably submits to the jurisdiction of the courts of New South Wales and courts of appeal from them.

An Account Holder who is unable to confirm "yes" in respect of any of the paragraphs above should contact the Information Agent for assistance, using the contact details set out in the section entitled '*Instructions and Deadlines for SSN Account Holder Letter*' of this SSN Account Holder Letter.

Part E: Execution

(TO BE COMPLETED BY ACCOUNT HOLDER)

Full Name of Account Holder: _____

DTC Account Number: _____

Authorised employee of Account Holder (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Account Holder mailing address: _____

Authorised employee signature: _____

Date: _____

Before returning this SSN Account Holder Letter to the Information Agent, please make certain that you have provided all the information requested.

By signing above, the Account Holder confirms that it has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this SSN Account Holder Letter for itself or on behalf of the Relevant SSN Noteholder (as applicable).

Acceptance of this SSN Account Holder Letter by the Information Agent is subject to DTC confirming to the satisfaction of the Scheme Companies that the Relevant Notes identified in Parts A (*SSN Noteholder Details*) and B (*Holding Details*) of this Section 1 (*Key Information*) are (or will be) consistent with the positions represented in the SSN Omnibus Proxy that was (or will be) delivered by Cede & Co at the Voting Entitlement Record Date.

If the Account Holder is acting on behalf of a Relevant SSN Noteholder, such Account Holder may complete and submit this SSN Account Holder Letter on behalf of the Relevant SSN Noteholder if the Account Holder has authority to do so and it discloses the name of such Relevant SSN Noteholder.

Scanned or PDF copies of this SSN Account Holder Letter will be accepted and originals are not required.

SECTION 2: VOTING

(TO BE COMPLETED BY ACCOUNT HOLDER)

Please complete **both** Part A and Part B below.

Part A: Voting - Secured Creditors' Scheme Meeting

1. ATTENDANCE AT THE SECURED CREDITORS' SCHEME MEETING

_____ of _____, the Relevant SSN Noteholder for the purposes of this SSN Account Holder Letter, wishes:

Please tick only ONE of the boxes below.

- to appoint the Chairperson or another person as its proxy to attend and vote on its behalf at the Secured Creditors' Scheme Meeting in relation to the Secured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 3 (Appointment of Proxy and Voting Instructions to Proxy) below)*
- to attend and vote in person at the Secured Creditors' Scheme Meeting in relation to the Secured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 4 (Indication of Voting Intention) below)*
- to appoint an attorney or, if a corporation, a corporate representative, to attend and vote at the Secured Creditors' Scheme Meeting in relation to the Secured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 4 (Indication of Voting Intention) below)*

Please note: any attorney or corporate representative must bring to the Secured Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

2. SECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies and the Secured Scheme Creditors, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Secured Creditors' Scheme in any material respect).

(the **Secured Creditors' Scheme Resolution**)

3. APPOINTMENT OF PROXY AND VOTING INSTRUCTIONS TO PROXY

The Relevant SSN Noteholder wishes to appoint (and the Account Holder is hereby authorised to appoint on its behalf):

Please tick only ONE of the boxes below.

- the Chairperson *(tick box if appropriate and proceed to vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 3 below);* or

- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Secured Creditors' Scheme Resolution at the end of this paragraph 3 below*)

Name: _____

Address: _____

Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Secured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Secured Creditors' Scheme Resolution

AGAINST the Secured Creditors' Scheme Resolution

4. INDICATION OF VOTING INTENTION

The Relevant SSN Noteholder intends to attend and vote (and the Account Holder is hereby authorised to vote on its behalf) at the Secured Creditors' Scheme Meeting as follows.

The Relevant SSN Noteholder understands that this expression of intention is not binding and that it may vote as it sees fit at the Secured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Secured Scheme Creditors' Resolution

AGAINST the Secured Creditors' Scheme Resolution

Part B: Voting - Unsecured Creditors' Scheme Meeting

1. ATTENDANCE AT THE UNSECURED CREDITORS' SCHEME MEETING

_____ of _____, the Relevant SSN Noteholder for the purposes of this SSN Account Holder Letter, wishes:

Please tick only ONE of the boxes below.

- to appoint the Chairperson or another person as its proxy to attend and vote on its behalf at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) (*please now complete paragraph 3 (Appointment of Proxy and Voting Instructions to Proxy) below*)
- to attend and vote in person at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) (*please now complete paragraph 4 (Indication of Voting Intention) below*)
- to appoint an attorney or, if a corporation, a corporate representative, to attend and vote at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) (*please now complete paragraph 4 (Indication of Voting Intention) below*)

Please note: any attorney or corporate representative must bring to the Unsecured Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

2. UNSECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Unsecured Creditors' Scheme in any material respect).

(the **Unsecured Creditors' Scheme Resolution**)

3. APPOINTMENT OF PROXY AND VOTING INSTRUCTIONS TO PROXY

The Relevant SSN Noteholder wishes to appoint (and the Account Holder is hereby authorised to appoint on its behalf):

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 3 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 3 below*)

Name: _____

Address: _____

Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification: _____

or in his or her absence:

(Name): _____ **(Alternate 1)**

(Address): _____

(Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification): _____

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Unsecured
Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Unsecured Creditors' Scheme Resolution

AGAINST the Unsecured Creditors' Scheme Resolution

4. INDICATION OF VOTING INTENTION

The Relevant SSN Noteholder intends to attend and vote (and the Account Holder is hereby
authorised to vote on its behalf) at the Unsecured Creditors' Scheme Meeting as follows.

The Relevant SSN Noteholder understands that this expression of intention is not binding
and that it may vote as it sees fit at the Unsecured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Unsecured Creditors' Scheme Resolution

AGAINST the Unsecured Creditors' Scheme Resolution

SECTION 3: SCHEMES CONSIDERATION

(TO BE COMPLETED BY RELEVANT SSN NOTEHOLDER OR (IF APPLICABLE) DESIGNATED RECIPIENT)

This Section 3 is to be completed by (1) the Relevant SSN Noteholder OR, (2) if applicable, its Designated Recipient.

Part A: Election for Schemes Consideration

Schemes Consideration:

Any SSN Noteholder who is entitled to receive any:

- (a) Secured Scheme Consideration; and/or
 - (b) Unsecured Scheme Consideration,
- (together, the **Schemes Consideration**), may:
- (c) in the case of an SSN Noteholder who is not an Ineligible Person, elect to:
 - (i) receive the Schemes Consideration itself directly; or
 - (ii) nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or
 - (d) in the case of an SSN Noteholder who is an Ineligible Person, either:
 - (i) elect to nominate a Designated Recipient (who is not an Ineligible Person) to receive the Schemes Consideration on its behalf; or
 - (ii) otherwise, the Schemes Consideration to which that SSN Noteholder is entitled will be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).

Designated Recipients:

Any person so nominated as a Designated Recipient must not be an Ineligible Person and must also deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Any such appointment made after the Voting Instruction Deadline will not be accepted, subject to the discretion of the Chairperson. Failure to execute and deliver any signature pages, confirmations and authorisations in the manner prescribed herein will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

Election:

The Relevant SSN Noteholder:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction and
 - wishes to receive any Schemes Consideration to which it is entitled directly on the Creditors' Scheme Implementation Date
- (please now complete Part C (Additional confirmations to receive Schemes Consideration) and Part D (Execution) below)*
- confirms that it wishes to nominate a person that is not an Ineligible Person as its Designated Recipient to receive any Schemes Consideration to which it is entitled on the Creditors' Scheme Implementation Date
- (please now complete Part B (Nomination of Designated Recipient), Part C (Additional confirmations to receive Schemes Consideration) and Part D (Execution) below)*
- confirms that it:
- is located in an Ineligible Jurisdiction;
 - does not wish to nominate a person that is not an Ineligible Person as its Designated Recipient; and
 - understands that any Schemes Consideration to which it is entitled will instead be dealt with in accordance with section 8.1 of the Secured Creditors' Scheme and section 8.1 of the Unsecured Creditors' Scheme (as applicable).
- (please now complete Part D (Execution) below)*

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Part B: Nomination of Designated Recipient

The Relevant SSN Noteholder wishes to irrevocably and unconditionally nominate the following person:

Full Name of Designated Recipient: _____

Jurisdiction of incorporation of Designated Recipient: _____

Registered address of Designated Recipient: _____

Designated contact of Designated Recipient: _____

E-mail of designated contact: _____

Telephone number (with country code) of designated contact: _____

HIN/SRN (if applicable): _____

as its Designated Recipient to receive its New Common Equity.

(please now complete Part C (Additional confirmations to receive Schemes Consideration) below)

Part C: Additional confirmations to receive Schemes Consideration

By electing to receive its Schemes Consideration and submitting this Section 3 (*Schemes Consideration*) of this SSN Account Holder Letter to the Information Agent, the Relevant SSN Noteholder or its Designated Recipient, as applicable, confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the Relevant SSN Noteholder on whose behalf it is acting) shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Part C (select "yes" or "no" as appropriate):

Yes

No

General:

The Relevant SSN Noteholder or its Designated Recipient, as applicable:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Creditors' Scheme Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing;
- (c) is not located in an Ineligible Jurisdiction;
- (d) is empowered, authorised and qualified to receive the relevant Creditor Schemes Transaction Securities;
- (e) will accept the relevant Creditor Schemes Transaction Securities on the terms set out in the BLY Creditor Schemes and agrees to be irrevocably and unconditionally bound by the BLY Creditor Schemes;
- (f) consents to become a member of BLY;
- (g) has consulted and will continue to consult its own legal, financial and tax advisers, as needed, with respect to the legal, financial and tax consequences of the BLY Creditor Schemes, the issuance of the relevant Creditor Schemes Transaction Securities and the Restructuring in its particular circumstances;
- (h) confirms that no information has been provided to the Relevant SSN Noteholder or its Designated Recipient, as applicable, by any Scheme Company, the Information Agent or any of their respective affiliates, directors, officers, advisers or employees with regard to the tax consequences to that Relevant SSN Noteholder or its Designated Recipient, as applicable, arising from voting in favour of the BLY Creditor Schemes, and that it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the BLY Creditor Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against any Scheme Company, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments;

- (i) will not offer or resell any Creditor Schemes Transaction Securities, or cause any offer for the resale of Creditor Schemes Transaction Securities, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of Creditor Schemes Transaction Securities would be unlawful under, or cause the Scheme Companies to be in breach of, the securities laws of such state or jurisdiction;
- (j) has complied, and will continue to comply, with all laws and regulations relating to the Creditor Schemes Transaction Securities that apply to it in any place in which it accepts, holds or sells any such Creditor Schemes Transaction Securities. It has obtained all consents or approvals that it needs in order to receive any Creditor Schemes Transaction Securities and each Scheme Company and the Information Agent are not responsible for compliance with these legal requirements; and
- (k) agrees to execute and deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Such Designated Recipient understands that failure to execute and deliver any required signature pages, confirmations and/or authorisations will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

New BLY Parent Shares:

The Relevant SSN Noteholder or its Designated Recipient, as applicable, acknowledges and agrees that, if the Members' Scheme is approved and becomes effective under section 411(10) of the Corporations Act, each BLY Shareholder at the Members' Scheme Record Date (which may include the Relevant SSN Noteholder or its Delegated Recipient, as applicable) will be bound by the terms of the Members' Scheme and, in particular, they will receive New BLY Parent CDIs in exchange for their Shares issued to them under the BLY Creditor Schemes in accordance with the terms of the Members' Scheme.

Part D: Execution

(TO BE COMPLETED BY RELEVANT SSN NOTEHOLDER OR (IF APPLICABLE) DESIGNATED RECIPIENT)

Full Name of Relevant SSN Noteholder: _____

Authorised employee of Relevant SSN Noteholder (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

OR

Full Name of Designated Recipient: _____

Authorised employee of Designated Recipient (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

An SSN Noteholder or its Designated Recipient, as applicable, who is unable to confirm "yes" in respect of any of the paragraphs above in this Part C should contact the Information Agent for assistance, using the contact details set out in the section entitled '*Instructions and Deadlines for SSN Account Holder Letter*' of this SSN Account Holder Letter.

Section 4: Creditor Share Purchase Option

(TO BE COMPLETED BY RELEVANT SSN NOTEHOLDER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

This Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter is to be completed by the Relevant SSN Noteholder (and their Permitted CSPO Nominee, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

In order to confirm its irrevocable agreement to apply for and pay the CSPO Issue Price (defined below) for up to the number of Maximum Committed Securities, the Relevant SSN Noteholder (and their Permitted CSPO Nominee, if applicable) must sign and return this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter to the Information Agent by no later than the Voting Instruction Deadline.

Part A: Election for Creditor Share Purchase Option

Creditor Share Purchase Option:

SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Secured Scheme Creditors or Unsecured Scheme Creditors (as applicable) will have the opportunity subscribe for Shares at an issue price of AU\$2.48 per Share (**CSPO Issue Price**) under the Creditor Share Purchase Option. The total amount to be raised by BLY under the Creditor Share Purchase Option is equal to the aggregate of US\$2.5 million and the SPP Shortfall Amount (the **CSPO Cap Amount**). Shares under the Creditor Share Purchase Option will be issued to Scheme Creditors who elect to participate in the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles described in section 8.8 of the Explanatory Statement.

In each case, a SUN Noteholder, TLA Purchaser, TLB Purchaser and SSN Noteholder may only participate in the Creditor Share Purchase Option if they are not an Ineligible Person or, if they are an Ineligible Person, if they nominate a Permitted CSPO Nominee.

The Shares issued under the Creditor Share Purchase Option will rank equally with BLY's existing fully paid ordinary Shares on issue as at the date of their issue (which will occur after the Share Consolidation). In order to determine their allocation of Shares under the Creditor Share Purchase Option, SSN Noteholders are requested to complete this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter and elect to either:

- **Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or
- **Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which, for the avoidance of doubt, may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles),

(the **Maximum Committed Securities**)

The SSN Noteholder's final allocation will then be determined by BLY in accordance with the CSPO Allocation Principles.

Permitted CSPO Nominee:

SSN Noteholders may nominate another person (who is not an Ineligible Person) to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (c) the nominee is a party to the RSA, or accedes to the RSA; and
- (d) the SSN Noteholder specifies the Permitted CSPO Nominee's name and details in this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter,

(a **Permitted CSPO Nominee**).

Election:

The Relevant SSN Noteholder:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction; and
 - wishes to participate in the Creditor Share Purchase Option.

(please now complete Part C (Creditor Share Purchase Option Confirmations), Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Permitted CSPO Nominee to take up their allocation of Shares under the Creditor Share Purchase Option

(please now complete Part B (Nomination of Permitted CSPO Nominee), Part C (Creditor Share Purchase Option Confirmations), Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Part B: Nomination of Permitted CSPO Nominee

(This Part B shall only be completed if the Relevant SSN Noteholder wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the Relevant SSN Noteholder's allocation of Shares under the Creditor Share Purchase Option)

The Relevant SSN Noteholder wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the Relevant SSN Noteholder's allocation of Shares under the Creditor Share Purchase Option:

To be completed for all Permitted CSPO Nominees:

Full Name of Permitted CSPO Nominee: _____

Registered address of Permitted CSPO Nominee: _____

E-mail Address of Permitted CSPO Nominee: _____

Telephone number (with country code): _____

HIN/SRN (if applicable): _____

To be completed if the Permitted CSPO Nominee is an institution:

Jurisdiction of incorporation of Permitted CSPO Nominee: _____

Contact Name: _____

E-mail Address: _____

(please now complete Part C (Creditor Share Purchase Option Confirmations) Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

Part C: Creditor Share Purchase Option Confirmations

By electing to participate in the Creditor Share Purchase Option and submitting this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter to the Information Agent, the Relevant SSN Noteholder confirms to BLY and the Information Agent that it agrees that it shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Part C on its behalf and, if applicable, on behalf of the Permitted CSPO Nominee (select "yes" or "no" as appropriate):

Yes

No

The Relevant SSN Noteholder:

- (a) (if not nominating a Permitted CSPO Nominee) is not located in an Ineligible Jurisdiction;
- (b) (if applicable) the Permitted CSPO Nominee is not located in an Ineligible Jurisdiction;
- (c) irrevocably agrees to apply for, and pay the CSPO Issue Price for the Maximum Committed Securities indicated in Part D (*Commitment Confirmation and Acceptance*) of this Section 4 on the terms of this Section 4, the Secured Creditors' Scheme, the Unsecured Creditor Scheme and the Explanatory Statement. This commitment is separate and additional to any other application to acquire Shares the Relevant SSN Noteholder may make and any such other acquisition will not reduce the number of Maximum Committed Securities the Relevant SSN Noteholder may be required to apply for.

The Relevant SSN Noteholder will be sent a separate confirmation of their final allocation as determined by BLY following the Voting Instruction Deadline and based on the Relevant SSN Noteholder's Maximum Committed Securities and the CSPO Allocation Principles (**Allocation Confirmation**). The Allocation Confirmation will include details of the Relevant SSN Noteholder's settlement and payment obligations.

- (d) acknowledges and agrees that BLY may enter into commitment agreements in relation to the Shares under the Creditor Share Purchase Option with other persons and may determine the final allocation in such manner as BLY may, in their discretion, determine provided that such allocation is in accordance with the CSPO Allocation Principles.
- (e) acknowledges and agrees that they will not receive any Shares pursuant to the Creditor Share Purchase Option if:
 - i. the Relevant SSN Noteholder does not return a valid and completed Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter by the Voting Instruction Deadline or does not pay the CSPO Issue Price in respect of the amount confirmed by BLY in their Allocation Confirmation described in (c) above on or before the time outlined by BLY in that Allocation Confirmation;
 - ii. BLY Shareholder approval is not granted for the Creditor Share Purchase Option and the Share Purchase Plan; or
 - iii. the BLY Creditor Schemes do not become Effective.
- (f) acknowledges that the Creditor Share Purchase Option is conditional upon:
 - i. approval by BLY Shareholders of the Creditor Share Purchase Option and Share Purchase Plan at the Shareholder Meeting; and

- ii. the BLY Creditor Schemes becoming Effective.
- (g) warrants that all information provided by them to BLY is true, complete and not misleading or deceptive at the date given and will continue to be true, complete and not misleading or deceptive until the Shares are issued to them under the Creditor Share Purchase Option.
- (h) acknowledges that BLY and each of the other Scheme Companies will rely on the above confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements.
- (i) acknowledges and agrees that allocations are at the sole discretion of BLY provided that such allocations are in accordance with the CSPO Allocation Principles. BLY disclaims any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Part D: Commitment Confirmation and Acceptance

Details of Relevant SSN Noteholders:

Full Name of Relevant SSN Noteholder: _____
Address of Relevant SSN Noteholder: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

OR

Details of Permitted CSPO Nominee:

Full Name of Permitted CSPO Nominees: _____
Address of Permitted CSPO Nominees: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

Maximum Committed Securities:

The Relevant SSN Noteholder or its Permitted CSPO Nominee, as applicable, elects to:

Please tick only ONE of the boxes below.

- Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or

- Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which is specified in the table below. For the avoidance of doubt, this may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles).

If a Relevant SSN Noteholder or its Permitted CSPO Nominee selects this Option B they must also complete the table below.

Where Option B is chosen:

Maximum Commitment Amount	AU\$ _____
— CSPO Issue Price	AU\$2.48 per Share
— Maximum Committed Securities	Total Commitment Amount/ CSPO Issue Price = _____ Shares

The Relevant SSN Noteholder or its Permitted CSPO Nominee, as applicable, confirm (for the benefit of BLY and the other Scheme Companies):

- (a) their irrevocable agreement to apply for, and pay the CSPO Issue Price per Share for, up to the number of Maximum Committed Securities in accordance with this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter;
- (b) they have read and understood this Section 4 (*Creditor Share Purchase Option*) of this SSN Account Holder Letter and agree to be bound by its terms, including without limitation the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made by them in connection with the Creditor Share Purchase Option or otherwise; and
- (c) understand that the irrevocable agreement in paragraph (a) above applies notwithstanding that their final allocation and details of their payment and settlement obligations will be provided at a later date in the Allocation Confirmation.

Part E: Execution

(TO BE COMPLETED BY RELEVANT SSN NOTEHOLDER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

Full Name of Relevant SSN Noteholder: _____

Authorised employee of Relevant SSN Noteholder (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

AND (IF APPLICABLE)

Full Name of Permitted CSPO Nominee: _____

Authorised employee of Permitted CSPO Nominee (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

This SSN Account Holder Letter must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this SSN Account Holder Letter via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS SSN ACCOUNT HOLDER LETTER USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE L

SUN Account Holder Letter

SUN Account Holder Letter

Please note:

1. In order for SUN Noteholders to be eligible to vote at the Unsecured Creditors' Scheme Meeting in relation to their SUN Debt, their respective Account Holders must:

- a. complete a SUN Account Holder Letter on behalf of the SUN Noteholder, in accordance with the SUN Noteholder's instructions; and
- b. lodge the completed SUN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

2. In order for SUN Noteholders to be eligible to receive their Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, in addition to returning their respective SUN Account Holder Letters as described above, they must ensure that the Account Holder:

- a. delivers Custody Instructions to DTC in relation to the Relevant Notes; and
- b. provides confirmation of the Custody Instructions to the Information Agent, during the Scheme Consideration Election Window (being the date notified by BLY being at least 5 Business Days prior to the Scheme Effective Date in the Unsecured Creditors' Scheme up to (but not including) the Scheme Effective Date in the Unsecured Creditors' Scheme).

3. SUN Noteholders who wish to participate in the Creditor Share Purchase Option must:

- a. complete (together with their Permitted CSPO Nominee, if applicable) Section 4 (*Creditor Share Purchase Option*) of this Account Holder Letter; and
- b. lodge the completed SUN Account Holder Letter with the Information Agent by no later than 4.00 pm on 25 August 2021 (New York City Time).

SUN ACCOUNT HOLDER LETTER

For use by Account Holders in respect of:

1.5% Pay in Kind Unsecured Notes due 2022 (the **SUN Indenture Notes**)

issued by

BOART LONGYEAR MANAGEMENT PTY LIMITED

in relation to the Unsecured Creditors' Scheme.

Capitalised terms in this SUN Account Holder Letter that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

Purpose of SUN Account Holder Letter:

Section 1 (*Key Information*) and **Section 2** (*Voting*) of this SUN Account Holder Letter must be completed by Account Holders, on behalf of SUN Noteholders, upon the written instructions of the relevant SUN Noteholders.

Account Holders must use this SUN Account Holder Letter in order to, on behalf of the relevant SUN Noteholders:

- a. register details of the relevant SUN Noteholder and their respective SUN Indenture Notes holding (at **Section 1 (Key Information)**);
- b. confirm if the relevant SUN Noteholder is a BLY Shareholder as at the Voting Entitlement Record Date (at **Section 1 (Key Information)**), noting that this information is required for information gathering purposes only and will not affect the relevant SUN Noteholder's eligibility or entitlement to vote at the Unsecured Creditors' Scheme Meeting); and
- c. make certain elections with respect to voting for the purposes of the Unsecured Creditors' Scheme (at **Section 2 (Voting)**).

Section 3 (*Unsecured Scheme Consideration*) of this SUN Account Holder Letter must be completed by SUN Noteholders or their Designated Recipients, as applicable, in order to provide certain confirmations in relation to their respective Unsecured Scheme Consideration (as defined at **Section 3 (Unsecured Scheme Consideration)**).

Section 4 (*Creditor Share Purchase Option*) must be completed by any SUN Noteholders (and their Permitted CSPO Nominee, if applicable) who wish to participate in the Creditor Share Purchase Option.

INSTRUCTIONS AND DEADLINES FOR SUN ACCOUNT HOLDER LETTER

THIS SUN ACCOUNT HOLDER LETTER HAS FOUR SECTIONS:

Section 1 (Key Information):

In order for this SUN Account Holder Letter to be valid and the votes submitted in Section 2 (*Voting*) to be effective:

1. the details set out in Parts A (*SUN Noteholder Details*) and B (*Holding Details*) of Section 1 (*Key Information*) must be completed in full;
2. the confirmations contained in Part D (*Confirmations*) of Section 1 (*Key Information*) must be affirmatively confirmed; and
3. this SUN Account Holder Letter must be signed by the Account Holder under Part E (*Execution*) of Section 1 (*Key Information*).

Section 2 (Voting):

In order to effect a vote in respect of the Unsecured Creditors' Scheme, Section 2 (*Voting*) must be completed in full.

To effect a vote by way of proxy in relation to the Unsecured Creditors' Scheme Meeting, a proxy must be appointed under paragraphs (1) and (3) of Section 2 (*Voting*).

Section 3 (Unsecured Scheme Consideration):

Each SUN Noteholder may elect to directly receive, or to nominate a Designated Recipient to receive, its Unsecured Scheme Consideration (as defined in Section 3 (*Unsecured Scheme Consideration*)) on the Creditors' Scheme Implementation Date to which it is entitled, by completing Part A (*Election for Unsecured Scheme Consideration*) and, if applicable, Part B (*Nomination of Designated Recipient*), of Section 3 (*Unsecured Scheme Consideration*).

In order to receive the Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, the representations contained in Part C (*Additional Confirmations to Unsecured Scheme Consideration*) of Section 3 (*Unsecured Scheme Consideration*) must be affirmatively confirmed by the SUN Noteholder or by its Designated Recipient, as applicable.

Section 4 (Creditor Share Purchase Option):

Section 4 (*Creditor Share Purchase Option*) must be completed and submitted by the Relevant SUN Noteholder (and their Permitted CSPO Nominee, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

COMPLETION, DELIVERY AND SUBMISSION:

A separate SUN Account Holder Letter must be completed and submitted to the Information Agent in respect of each separate beneficial holding of, or interest in, any of the SUN Indenture Notes.

Each relevant part of this SUN Account Holder Letter must be completed and submitted to the Information Agent.

You may submit this SUN Account Holder Letter via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY SUBMIT THIS SUN ACCOUNT HOLDER USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

Each SUN Account Holder Letter must be received by the Information Agent by no later than 4.00 p.m. (New York City Time) on 25 August 2021 (the **Voting Instruction Deadline**).

SUN Account Holder Letters received after the Voting Instruction Deadline will not constitute valid voting instructions for the purposes of the Unsecured Creditors' Scheme, subject to the discretion of the Chairperson.

Before any part of this SUN Account Holder Letter is completed, Account Holders and SUN Noteholders are strongly advised to read the Explanatory Statement and the Unsecured Creditors' Scheme provided with this SUN Account Holder Letter.

- a. In the event that the Unsecured Creditors' Scheme becomes effective, the Unsecured Creditors' Scheme will be binding upon all Unsecured Scheme Creditors, including any Unsecured Scheme Creditors that did not vote in favour of the Unsecured Creditors' Scheme, and those that did not attend, or vote at, the Unsecured Creditors' Scheme Meeting.**

This SUN Account Holder Letter, and any obligations arising out of or in relation to this SUN Account Holder Letter, shall be governed by, and interpreted in accordance with, the laws of the State of New South Wales.

For assistance contact the Information Agent:

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

SECTION 1: KEY INFORMATION

(TO BE COMPLETED BY ACCOUNT HOLDER)

Irrespective of any elections made under any other Section of this SUN Account Holder Letter, any SUN Account Holder Letter received by the Information Agent that does not include all information requested in this Section will not constitute a validly completed SUN Account Holder Letter.

Part A: SUN Noteholder Details

Please identify the SUN Noteholder (that is, the person that is the beneficial owner of and/or the holder of the ultimate economic interest in the SUN Indenture Notes, held in global form through DTC) on whose behalf you are submitting this SUN Account Holder Letter (the **Relevant SUN Noteholder**).

To be completed for all Relevant SUN Noteholders:

Full Name of Relevant SUN Noteholder: _____
Address of Relevant SUN Noteholder: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN for existing BLY Share holdings (if applicable) _____

To be completed if the Relevant SUN Noteholder is an institution:

Jurisdiction of incorporation of Relevant SUN Noteholder: _____
Contact Name: _____
E-mail Address: _____

To be completed if the Relevant SUN Noteholder is an investment fund, managed account, discretionary account or similar over which a manager, investment adviser or general partner has discretionary authority:

Name of Investment: _____
Manager / Investment Adviser / General Partner: _____

Part B: Holding Details

Please complete paragraph 1 below.

1. HOLDING DETAILS – SUN INDENTURE NOTES

The Account Holder, on behalf of the Relevant SUN Noteholder, holds the following SUN Indenture Notes to which this SUN Account Holder Letter relates, which are currently held in global form through DTC:

CUSIP/ISIN	Principal Amount ²⁶	DTC Account Number

(together, the **Relevant Notes**)

2. CALCULATION OF CLAIMS FOR VOTING PURPOSES

Unsecured Creditors' Scheme Meeting

For the purposes of voting at the Unsecured Creditors' Scheme Meeting:

- (a) the Relevant SUN Noteholder's Claim (**Unsecured Claim**) will be calculated by the Information Agent by reference to the outstanding amount of SUN Debt held by the Relevant SUN Noteholder pursuant to the Relevant Notes as at the Voting Entitlement Record Date (the **Relevant SUN Debt**); and
- (b) the Chairperson will then adjudicate upon the Unsecured Claim, for voting purposes only.

3. UNSECURED SCHEME CONSIDERATION

PLEASE NOTE: In order for the Relevant SUN Noteholder to receive their Unsecured Scheme Consideration on the Creditors' Scheme Implementation Date, they must ensure that the Account Holder:

- (a) delivers Custody Instructions to DTC in relation to the Relevant Notes; and
 - (b) provides confirmation of the Custody Instructions to the Information Agent;
- during the Scheme Consideration Election Window.

²⁶ The amount entered should be the entire principal amount of SUN Indenture Notes in respect of which the Account Holder is giving instructions on behalf of the Relevant SUN Noteholder pursuant to this SUN Account Holder Letter. If the Account Holder holds SUN Indenture Notes in respect of which it is not giving instructions pursuant to this SUN Account Holder Letter, this amount should not be stated and is not required to be notified.

Part C: BLY Shareholding Details

Please note this Part C is for information gathering purposes by the Scheme Companies only.

The responses to this Part C will not affect the Relevant SUN Noteholder's eligibility or entitlement to vote at the Unsecured Creditors' Scheme Meeting.

Please tick (and complete where applicable) only ONE of the boxes below.

As at the Voting Entitlement Record Date:

- the Relevant SUN Noteholder **is** a BLY Shareholder, holding _____ Shares; or

- the Relevant SUN Noteholder **is not** a BLY Shareholder.

Part D: Confirmations

By submitting this SUN Account Holder Letter to the Information Agent, the Account Holder confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the Relevant SUN Noteholder, on whose behalf it is acting) shall be deemed to have made and given the confirmations, representations, warranties, waivers and undertakings set out in this Part D (select "yes" or "no" as appropriate):

Yes

No

1. All authority conferred or agreed to be conferred pursuant to this SUN Account Holder Letter and every obligation of, and every authorisation, instruction and agreement given by, the Account Holder under this SUN Account Holder Letter (including any elections made in this SUN Account Holder Letter) shall be binding upon the successors and assigns of the Account Holder (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Account Holder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the Account Holder and that all of the information in this SUN Account Holder Letter is complete and accurate as of the date of submission of this SUN Account Holder Letter to the Information Agent.
2. The Relevant Notes identified in Part B (*Holding Details*) of this Section 1 (*Key Information*) of this SUN Account Holder Letter:
 - (a) are held by it (directly or indirectly) or on its behalf at DTC at the time of submission of this SUN Account Holder Letter;
 - (b) are (or were) held by it (directly or indirectly) or on its behalf at DTC as at the Voting Entitlement Record Date, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind; and
 - (c) will, subject to paragraphs (4)(a), (4)(b) and (4)(c) below, continue to be held by it (directly or indirectly) or on its behalf at DTC up to and including the Creditors' Scheme Implementation Date (excluding, to avoid doubt, any release of such Relevant Notes pursuant to the Unsecured Creditors' Scheme).
3. The Account Holder:
 - (a) is legally entitled and able to control the exercise and the casting of votes in relation to the Relevant Notes and the Relevant SUN Debt in the manner set out in this SUN Account Holder Letter; and
 - (b) has all requisite power, authority and legal capacity to make and give the confirmations, representations, warranties, waivers and undertakings, and to perform its obligations under such undertakings, set out in this Part D on behalf of the Relevant SUN Noteholder.
4. The Account Holder, and/or the Relevant SUN Noteholder on whose behalf it is acting (as applicable) agrees and acknowledges that:
 - (a) it shall promptly notify the Scheme Companies, by submitting an additional SUN Account Holder Letter (with Section 1 (*Key Information*) duly completed including the confirmations set out in this Part D of Section 1 of that SUN Account Holder

Letter) to the Information Agent, of any change (whether an increase or decrease) to the aggregate principal amount of SUN Indenture Notes held by it;

- (b) it shall not, from the date of this SUN Account Holder Letter until the Scheme Effective Date, sell, transfer, assign or otherwise dispose of its interest in all or any part of the Relevant Notes to any person unless that person has:
 - (i) submitted an SUN Account Holder Letter to the Information Agent in accordance with paragraph (4)(a) above; and
 - (ii) if the person assigning or transferring its interest in all or any part of the Relevant Notes is a party to the RSA, complied with the terms of the RSA.
- (c) it shall, from the Scheme Effective Date, be bound by all transfer restrictions contained in the Unsecured Creditors' Scheme, including, but not necessarily limited to, those set out at clause 14 of the Unsecured Creditors' Scheme;
- (d) it will execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions;
- (e) it has received, and has reviewed, the Unsecured Creditors' Scheme and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
- (f) it has complied with all laws and regulations applicable to it with respect to the Unsecured Creditors' Scheme and this SUN Account Holder Letter;
- (g) it is lawful to seek voting instructions from it in respect of the Unsecured Creditors' Scheme;
- (h) it is assuming all of the risks inherent in its participation in the Unsecured Creditors' Scheme and has undertaken all the appropriate analysis of the implications of participating in the Unsecured Creditors' Scheme for itself without relying on the Scheme Companies or the Information Agent;
- (i) it has not given voting instructions or submitted an SUN Account Holder Letter with respect to SUN Indenture Notes other than the Relevant Notes which are the subject of this SUN Account Holder Letter;
- (j) neither the Information Agent nor any of its affiliates, directors, officers or employees has made any recommendation to it as to whether, or how, to vote in relation to the Unsecured Creditors' Scheme, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek; and
- (k) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Unsecured Creditors' Scheme, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Scheme Companies, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.

5. The Account Holder, and/or the Relevant SUN Noteholder on whose behalf it is acting (as applicable) agrees and acknowledges that:

- (a) damages are not an adequate remedy for its breach of any of the warranties or undertakings set out herein and specific performance and/or relief to compel performance are appropriate remedies for any such breach and any such remedies

shall not be exclusive but shall be cumulative and in addition to any other remedies available to the Scheme Companies; and

- (b) the Courts of New South Wales shall have exclusive jurisdiction to hear and determine any dispute, suit, action or proceeding which may arise out of the Explanatory Statement (including this SUN Account Holder Letter) or any provision of any of the Unsecured Creditors' Scheme or their implementation or out of any action taken or omitted to be taken under the Unsecured Creditors' Scheme or in connection with the administration of the Unsecured Creditors' Scheme and, for such purposes, each SUN Noteholder irrevocably submits to the jurisdiction of the courts of New South Wales and courts of appeal from them.

An Account Holder who is unable to confirm "yes" in respect of any of the paragraphs above should contact the Information Agent for assistance, using the contact details set out in the section entitled '*Instructions and Deadlines for SUN Account Holder Letter*' of this SUN Account Holder Letter.

Part E: Execution

(TO BE COMPLETED BY ACCOUNT HOLDER)

Full Name of Account Holder: _____

DTC Account Number: _____

Authorised employee of Account Holder (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Account Holder mailing address: _____

Authorised employee signature: _____

Date: _____

Before returning this SUN Account Holder Letter to the Information Agent, please make certain that you have provided all the information requested.

By signing above, the Account Holder confirms that it has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this SUN Account Holder Letter for itself or on behalf of the Relevant SUN Noteholder (as applicable).

Acceptance of this SUN Account Holder Letter by the Information Agent is subject to DTC confirming to the satisfaction of the Scheme Companies that the Relevant Notes identified in Parts A (*SUN Noteholder Details*) and B (*Holding Details*) of this Section 1 (*Key Information*) are (or will be) consistent with the positions represented in the SUN Omnibus Proxy that was (or will be) delivered by Cede & Co at the Voting Entitlement Record Date.

If the Account Holder is acting on behalf of a Relevant SUN Noteholder, such Account Holder may complete and submit this SUN Account Holder Letter on behalf of the Relevant SUN Noteholder if the Account Holder has authority to do so and it discloses the name of such Relevant SUN Noteholder.

Scanned or PDF copies of this SUN Account Holder Letter will be accepted and originals are not required.

Section 2: Voting

(TO BE COMPLETED BY ACCOUNT HOLDER)

Voting - Unsecured Creditors' Scheme Meeting

1. ATTENDANCE AT THE UNSECURED CREDITORS' SCHEME MEETING

_____ of _____, the Relevant SUN Noteholder for the purposes of this SUN Account Holder Letter, wishes:

Please tick only ONE of the boxes below.

- to appoint the Chairperson or another person as its proxy to attend and vote on its behalf at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 3 (Appointment of Proxy and Voting Instructions to Proxy) below)*
- to attend and vote in person at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 4 (Indication of Voting Intention) below)*
- to appoint an attorney or, if a corporation, a corporate representative, to attend and vote at the Unsecured Creditors' Scheme Meeting in relation to the Unsecured Creditors' Scheme Resolution (defined below at paragraph 2) *(please now complete paragraph 4 (Indication of Voting Intention) below)*

Please note: any attorney or corporate representative must bring to the Unsecured Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

2. UNSECURED CREDITORS' SCHEME RESOLUTION

RESOLVE THAT pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Scheme Companies, the Unsecured Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court, provided that such alterations or conditions do not change the substance of the Unsecured Creditors' Scheme in any material respect).

(the **Unsecured Creditors' Scheme Resolution**)

3. APPOINTMENT OF PROXY AND VOTING INSTRUCTIONS TO PROXY

The Relevant SUN Noteholder wishes to appoint (and the Account Holder is hereby authorised to appoint on its behalf):

Please tick only ONE of the boxes below.

- the Chairperson (*tick box if appropriate and proceed to vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 3 below*); or
- the following individual (*tick box if appropriate, fill in the details immediately below and confirm if such proxy should vote FOR or AGAINST the Unsecured Creditors' Scheme Resolution at the end of this paragraph 3 below*)

Name:

Address:

Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification:

or in his or her absence:

(Name):

_____ **(Alternate 1)**

(Address):

(Passport Country and Number /
Identification Number of other
Government-Issued Photographic
Identification):

or failing Alternate 1:

the Chairperson

as my/our general/special proxy and wishes the proxy to vote at the Unsecured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

- FOR the Unsecured Creditors' Scheme Resolution
- AGAINST the Unsecured Creditors' Scheme Resolution

4. INDICATION OF VOTING INTENTION

The Relevant SUN Noteholder intends to attend and vote (and the Account Holder is hereby authorised to vote on its behalf) at the Unsecured Creditors' Scheme Meeting as follows.

The Relevant SUN Noteholder understands that this expression of intention is not binding and that it may vote as it sees fit at the Unsecured Creditors' Scheme Meeting:

Please tick only ONE of the boxes below.

FOR the Unsecured Creditors' Scheme Resolution

AGAINST the Unsecured Creditors' Scheme Resolution

Section 3: Unsecured Scheme Consideration

(TO BE COMPLETED BY RELEVANT SUN NOTEHOLDER OR (IF APPLICABLE) DESIGNATED RECIPIENT)

This Section 3 is to be completed by (1) the Relevant SUN Noteholder OR, (2) if applicable, its Designated Recipient.

Part A: Election for Unsecured Scheme Consideration

Unsecured Scheme Consideration:

Any SUN Noteholder who is entitled to receive any Unsecured Scheme Consideration may:

(a) in the case of an SUN Noteholder who is not an Ineligible Person, elect to:

- (i) receive the Unsecured Scheme Consideration itself directly; or
- (ii) nominate a Designated Recipient (who is not an Ineligible Person) to receive the Unsecured Scheme Consideration on its behalf; or

(b) in the case of an SUN Noteholder who is an Ineligible Person, either:

- (i) elect to nominate a Designated Recipient (who is not an Ineligible Person) to receive the Unsecured Scheme Consideration on its behalf; or
- (ii) otherwise, the Unsecured Scheme Consideration to which that SUN Noteholder is entitled will be dealt with in accordance with section 8.1 of the Unsecured Creditors' Scheme.

Designated Recipients:

Any person so nominated as a Designated Recipient must not be an Ineligible Person and must also deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Any such appointment made after the Voting Instruction Deadline will not be accepted, subject to the discretion of the Chairperson. Failure to execute and deliver any signature pages, confirmations and authorisations in the manner prescribed herein will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

Election:

The Relevant SUN Noteholder:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction; and
 - wishes to receive any Unsecured Scheme Consideration to which it is entitled directly on the Creditors' Scheme Implementation Date

(please now complete Part C (Additional confirmations to receive Unsecured Scheme Consideration) and Part D (Execution) below)

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Designated Recipient to receive any Unsecured Scheme Consideration to which it is entitled on the Creditors' Scheme Implementation Date

(please now complete Part B (Nomination of Designated Recipient), Part C (Additional confirmations to receive Unsecured Scheme Consideration) and Part D (Execution) below)

- confirms that it:
- is located in an Ineligible Jurisdiction;
 - does not wish to nominate a person that is not an Ineligible Person as its Designated Recipient; and
 - understands that any Unsecured Scheme Consideration to which it is entitled will instead be dealt with in accordance with section 8.1 of the Unsecured Creditors' Scheme.

(please now complete Part D (Execution) below)

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Part B: Nomination of Designated Recipient

The Relevant SUN Noteholder wishes to irrevocably and unconditionally nominate the following person:

Full Name of Designated Recipient: _____

Jurisdiction of incorporation of Designated Recipient: _____

Registered address of Designated Recipient: _____

Designated contact of Designated Recipient: _____

E-mail of designated contact: _____

Telephone number (with country code) of designated contact: _____

HIN/SRN (if applicable): _____

as its Designated Recipient to receive its Creditor Schemes Transaction Securities (as applicable) as follows:

New Common Equity:

New Warrants:

(please now complete Part C (Additional confirmations to receive Unsecured Scheme Consideration) below)

Part C: Additional confirmations to receive Unsecured Scheme Consideration

By electing to receive its Unsecured Scheme Consideration and submitting this Section 3 (*Unsecured Scheme Consideration*) of this SUN Account Holder Letter to the Information Agent, the Relevant SUN Noteholder or its Designated Recipient, as applicable, confirms to the Scheme Companies and the Information Agent that it agrees that it (and, if applicable, the Relevant SUN Noteholder on whose behalf it is acting) shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Part C (select "yes" or "no" as appropriate):

Yes

No

General:

The Relevant SUN Noteholder or its Designated Recipient, as applicable:

- (a) understands that the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements are required in connection with applicable law, and that the Scheme Companies, the Information Agent and others will rely upon the truth and accuracy of the following confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements;
- (b) agrees that, if any of the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made in connection with any of the Creditor Schemes Transaction Securities are no longer accurate prior to and/or on the Creditors' Scheme Implementation Date, it will promptly, and in any event prior to the issuance of such Creditor Schemes Transaction Securities, notify the Scheme Companies in writing;
- (c) is not located in an Ineligible Jurisdiction;
- (d) is empowered, authorised and qualified to receive Creditor Schemes Transaction Securities;
- (e) will accept the relevant Creditor Schemes Transaction Securities on the terms set out in the Unsecured Creditors' Scheme and agrees to be irrevocably and unconditionally bound by the Unsecured Creditors' Scheme;
- (f) consents to become a member of BLY;
- (g) has consulted and will continue to consult its own legal, financial and tax advisers, as needed, with respect to the legal, financial and tax consequences of the Unsecured Creditors' Scheme, the issuance of the relevant Creditor Schemes Transaction Securities and the Restructuring in its particular circumstances;
- (h) confirms that no information has been provided to the Relevant SUN Noteholder or its Designated Recipient, as applicable, by any Scheme Company, the Information Agent or any of their respective affiliates, directors, officers, advisers or employees with regard to the tax consequences to that Relevant SUN Noteholder or its Designated Recipient, as applicable, arising from voting in favour of the Unsecured Creditors' Scheme, and that it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Unsecured Creditors' Scheme, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against any Scheme Company, the Information Agent or any of their affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments;

- (i) will not offer or resell any Creditor Schemes Transaction Securities, or cause any offer for the resale of Creditor Schemes Transaction Securities, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of Creditor Schemes Transaction Securities would be unlawful under, or cause the Scheme Companies to be in breach of, the securities laws of such state or jurisdiction;
- (j) has complied, and will continue to comply, with all laws and regulations relating to the Creditor Schemes Transaction Securities that apply to it in any place in which it accepts, holds or sells any such Creditor Schemes Transaction Securities. It has obtained all consents or approvals that it needs in order to receive any Creditor Schemes Transaction Securities and each Scheme Company and the Information Agent are not responsible for compliance with these legal requirements; and
- (k) agrees to execute and deliver any signature pages, confirmations and/or authorisations as are required (determined in the sole discretion of the Scheme Companies) to effect the Restructuring up to the Creditors' Schemes Restructuring Effective Time.

Such Designated Recipient understands that failure to execute and deliver any required signature pages, confirmations and/or authorisations will result in such person's nomination as a Designated Recipient not being accepted, subject to the discretion of the Chairperson, or being later rejected.

New BLY Parent Shares:

The Relevant SUN Noteholder or its Designated Recipient, as applicable, acknowledges and agrees that, if the Members' Scheme is approved and becomes effective under section 411(10) of the Corporations Act, each BLY Shareholder at the Members' Scheme Record Date (which may include the Relevant SUN Noteholder or its Delegated Recipient, as applicable) will be bound by the terms of the Members' Scheme and, in particular, they will receive New BLY Parent CDIs in exchange for their Shares issued to them under the Unsecured Creditors' Scheme in accordance with the terms of the Members' Scheme.

New BLY Parent Warrants

The Relevant SUN Noteholder or its Designated Recipient, as applicable, acknowledges and agrees that, if the Members' Scheme is approved and becomes effective under section 411(10) of the Corporations Act, each New Warrant holder at the Members' Scheme Record Date (which may include the Relevant SUN Noteholder or its Delegated Recipient, as applicable) will have its New Warrants assumed by the New BLY Parent under the terms of the Assumption Deed Poll and, consequently, will on exercise of the New Warrants receive New BLY Parent CDIs.

Part D: Execution

(TO BE COMPLETED BY RELEVANT SUN NOTEHOLDER OR (IF APPLICABLE) DESIGNATED RECIPIENT)

Full Name of Relevant SUN Noteholder: _____

Authorised employee of Relevant SUN Noteholder (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

OR

Full Name of Designated Recipient: _____

Authorised employee of Designated Recipient (print name): _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

An SUN Noteholder or its Designated Recipient, as applicable, who is unable to confirm "yes" in respect of any of the paragraphs above in this Part C should contact the Information Agent for assistance, using the contact details set out in the section entitled '*Instructions and Deadlines for SUN Account Holder Letter*' of this SUN Account Holder Letter.

Section 4: Creditor Share Purchase Option

(TO BE COMPLETED BY RELEVANT SUN NOTEHOLDER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

This Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter is to be completed by the Relevant SUN Noteholder (and their Permitted CSPO Nominee, if applicable) in the event that they wish to participate in the Creditor Share Purchase Option.

In order to confirm its irrevocable agreement to apply for and pay the CSPO Issue Price (defined below) for up to the number of Maximum Committed Securities, the Relevant SUN Noteholder (and their Permitted CSPO Nominee, if applicable) must sign and return this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter to the Information Agent by no later than the Voting Instruction Deadline.

Part A: Election for Creditor Share Purchase Option

Creditor Share Purchase Option:

SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Secured Scheme Creditors or Unsecured Scheme Creditors (as applicable) will have the opportunity subscribe for Shares at an issue price of AU\$2.48 per Share (**CSPO Issue Price**) under the Creditor Share Purchase Option. The total amount to be raised by BLY under the Creditor Share Purchase Option is equal to the aggregate of US\$2.5 million and the SPP Shortfall Amount (the **CSPO Cap Amount**). Shares under the Creditor Share Purchase Option will be issued to Scheme Creditors who elect to participate in the Creditor Share Purchase Option in accordance with the CSPO Allocation Principles described in section 8.8 of the Explanatory Statement.

In each case, a SUN Noteholder, TLA Purchaser, TLB Purchaser and SSN Noteholder may only participate in the Creditor Share Purchase Option if they are not an Ineligible Person or, if they are an Ineligible Person, if they nominate a Permitted CSPO Nominee.

The Shares issued under the Creditor Share Purchase Option will rank equally with BLY's existing fully paid ordinary Shares on issue as at the date of their issue (which will occur after the Share Consolidation). In order to determine their allocation of Shares under the Creditor Share Purchase Option, SUN Noteholders are requested to complete this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter and elect to either:

- **Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or
- **Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which, for the avoidance of doubt, may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles),

(the **Maximum Committed Securities**)

The SUN Noteholder's final allocation will then be determined by BLY in accordance with the CSPO Allocation Principles.

Permitted CSPO Nominee:

SUN Noteholders may nominate another person (who is not an Ineligible Person) to take up their allocation of Shares under the Creditor Share Purchase Option provided that:

- (a) the nominee is a party to the RSA, or accedes to the RSA; and
- (b) the SUN Noteholder specifies the Permitted CSPO Nominee's name and details in this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter,

(a **Permitted CSPO Nominee**).

Election:

The Relevant SUN Noteholder:

Please tick only ONE of the boxes below.

- confirms that it
- is not located in an Ineligible Jurisdiction; and
 - wishes to participate in the Creditor Share Purchase Option.

(please now complete Part C (Creditor Share Purchase Option Confirmations), Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

- confirms that it wishes to nominate a person that is not an Ineligible Person as its Permitted CSPO Nominee to take up their allocation of Shares under the Creditor Share Purchase Option

(please now complete Part B (Nomination of Permitted CSPO Nominee), Part C (Creditor Share Purchase Option Confirmations), Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

The term **Ineligible Person** is defined in each of the Secured Creditors' Scheme, the Unsecured Creditors' Scheme and the Explanatory Statement, and means a person:

- (a) located in any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland, the United States of America or other jurisdiction as agreed to by BLY; or
- (b) to whom BLY considers it would be unlawful for BLY to make an offer of Shares or if applicable, New Warrants, in accordance with the laws of the jurisdiction in which the person is located.

The term **Ineligible Jurisdiction** is defined in the Explanatory Statement and means any jurisdiction other than Australia, Canada, Bermuda, Cayman Islands, Ireland, Italy, Netherlands, Switzerland or the United States of America.

Part B: Nomination of Permitted CSPO Nominee

(This Part B shall only be completed if the Relevant SUN Noteholder wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the Relevant SUN Noteholder's allocation of Shares under the Creditor Share Purchase Option)

The Relevant SUN Noteholder wishes to irrevocably and unconditionally nominate the following person as its Permitted CSPO Nominee to take up the Relevant SUN Noteholder's allocation of Shares under the Creditor Share Purchase Option:

To be completed for all Permitted CSPO Nominees:

Full Name of Permitted CSPO Nominee: _____

Registered address of Permitted CSPO Nominee: _____

E-mail Address of Permitted CSPO Nominee: _____

Telephone number (with country code): _____

HIN/SRN (if applicable): _____

To be completed if the Permitted CSPO Nominee is an institution:

Jurisdiction of incorporation of Permitted CSPO Nominee: _____

Contact Name: _____

E-mail Address: _____

(please now complete Part C (Creditor Share Purchase Option Confirmations, Part D (Commitment Confirmation and Acceptance) and Part E (Execution) below)

Part C: Creditor Share Purchase Option Confirmations

By electing to participate in the Creditor Share Purchase Option and submitting this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter to the Information Agent, the Relevant SUN Noteholder confirms to BLY and the Information Agent that it agrees that it shall be deemed to have made and given the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements set out in this Part C on its behalf and, if applicable, on behalf of the Permitted CSPO Nominee (select "yes" or "no" as appropriate):

Yes

No

The Relevant SUN Noteholder:

- (a) (if not nominating a Permitted CSPO Nominee) is not located in an Ineligible Jurisdiction;
- (b) (if applicable) the Permitted CSPO Nominee is not located in an Ineligible Jurisdiction;
- (c) irrevocably agrees to apply for, and pay the CSPO Issue Price for the Maximum Committed Securities indicated in Part D (*Commitment Confirmation and Acceptance*) of this Section 4 on the terms of this Section 4, the Unsecured Creditors' Scheme and the Explanatory Statement. This commitment is separate and additional to any other application to acquire Shares the Relevant SUN Noteholder may make and any such other acquisition will not reduce the number of Maximum Committed Securities the Relevant SUN Noteholder may be required to apply for.

The Relevant SUN Noteholder will be sent a separate confirmation of their final allocation as determined by BLY following the Voting Instruction Deadline and based on the Relevant SUN Noteholder's Maximum Committed Securities and the CSPO Allocation Principles (**Allocation Confirmation**). The Allocation Confirmation will include details of the Relevant SUN Noteholder's settlement and payment obligations.

- (d) acknowledges and agrees that BLY may enter into commitment agreements in relation to the Shares under the Creditor Share Purchase Option with other persons and may determine the final allocation in such manner as BLY may, in their discretion, determine provided that such allocation is in accordance with the CSPO Allocation Principles.
- (e) acknowledges and agrees that they will not receive any Shares pursuant to the Creditor Share Purchase Option if:
 - i. the Relevant SUN Noteholder does not return a valid and completed Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter by the Voting Instruction Deadline or does not pay the CSPO Issue Price in respect of the amount confirmed by BLY in their Allocation Confirmation described in (c) above on or before the time outlined by BLY in that Allocation Confirmation;
 - ii. BLY Shareholder approval is not granted for the Creditor Share Purchase Option and the Share Purchase Plan; or
 - iii. the BLY Creditor Schemes do not become Effective.
- (f) acknowledges that the Creditor Share Purchase Option is conditional upon:
 - i. approval by BLY Shareholders of the Creditor Share Purchase Option and Share Purchase Plan at the Shareholder Meeting; and

- ii. the BLY Creditor Schemes becoming Effective.
- (g) warrants that all information provided by them to BLY is true, complete and not misleading or deceptive at the date given and will continue to be true, complete and not misleading or deceptive until the Shares are issued to them under the Creditor Share Purchase Option.
- (h) acknowledges that BLY and each of the other Scheme Companies will rely on the above confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements.
- (i) acknowledges and agrees that allocations are at the sole discretion of BLY provided that such allocations are in accordance with the CSPO Allocation Principles. BLY disclaims any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Part D: Commitment Confirmation and Acceptance

Details of Relevant SUN Noteholders:

Full Name of Relevant SUN Noteholder: _____
Address of Relevant SUN Noteholder: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

OR

Details of Permitted CSPO Nominee:

Full Name of Permitted CSPO Nominees: _____
Address of Permitted CSPO Nominees: _____
E-mail Address: _____
Telephone Number (with country code): _____
HIN/SRN (if applicable): _____

Maximum Committed Securities:

The Relevant SUN Noteholder or its Permitted CSPO Nominee, as applicable, elects to:

Please tick only ONE of the boxes below.

- Option A:** subscribe for the number of Shares equal to their applicable initial pro rata allocation of the Shares being issued under the Creditor Share Purchase Option determined by BLY in accordance with the CSPO Allocation Principles (and not subscribe for any additional Shares that may be available as a result of undersubscriptions by other participants in the Creditor Share Purchase Option); or
- Option B:** nominate the maximum total amount they are willing to pay for new Shares under the Creditor Share Purchase Option which is specified in the table below. For the avoidance of doubt, this may be equal to a number of Shares which is less than or more than the number of Shares the subject of Option A (provided that may be subject to scale-back by BLY in accordance with the CSPO Allocation Principles).

If a Relevant SUN Noteholder or its Permitted CSPO Nominee selects this Option B they must also complete the table below.

Where Option B is chosen:

Maximum Commitment Amount	AU\$ _____
— CSPO Issue Price	AU\$2.48 per Share
— Maximum Committed Securities	Total Commitment Amount/ CSPO Issue Price = _____ Shares

The Relevant SUN Noteholder or its Permitted CSPO Nominee, as applicable, confirm (for the benefit of BLY and the other Scheme Companies):

- (a) their irrevocable agreement to apply for, and pay the CSPO Issue Price per Share for, up to the number of Maximum Committed Securities in accordance with this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter;
- (b) they have read and understood this Section 4 (*Creditor Share Purchase Option*) of this SUN Account Holder Letter and agree to be bound by its terms, including without limitation the confirmations, acknowledgements, representations, warranties, waivers, undertakings and agreements made by them in connection with the Creditor Share Purchase Option or otherwise; and
- (c) understand that the irrevocable agreement in paragraph (a) above applies notwithstanding that their final allocation and details of their payment and settlement obligations will be provided at a later date in the Allocation Confirmation.

Part E: Execution

(TO BE COMPLETED BY RELEVANT SUN NOTEHOLDER AND (IF APPLICABLE) PERMITTED CSPO NOMINEE)

Full Name of Relevant SUN Noteholder: _____

Authorised employee of Relevant SUN Noteholder (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

AND (IF APPLICABLE)

Full Name of Permitted CSPO Nominee: _____

Authorised employee of Permitted CSPO Nominee (print name): _____

Title of authorised employee _____

Telephone number of authorised employee: _____

E-mail of authorised employee: _____

Authorised employee signature: _____

Date: _____

This SUN Account Holder Letter must be lodged with the Information Agent by 4.00 pm New York City Time on 25 August 2021.

You may lodge this SUN Account Holder Letter via (a) the e-mail address or (b) the mailing address, below - PLEASE ONLY LODGE THIS SUN ACCOUNT HOLDER LETTER USING ONE OF THESE METHODS.

Attention: Boart Longyear Scheme Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

Email: Boartscheme@primeclerk.com
Toll-Free: (877) 965-7990
Local/International: (929) 203-3308
Scheme Website: cases.primeclerk.com/boart2021

ANNEXURE M

List of Secured Scheme Creditors

Name		Creditors' Scheme Finance Document	Secured Debt Amount as at 12 May 2021 (US\$)	Shares owned at 12 May 2021
1.	CBP	Term Loan A	85 million	47.2 million
1.	CBP	Term Loan B	105 million	47.2 million
2.	CBP	SSN Indenture	25.9 million	47.2 million
3.	Ascribe	SSN Indenture	71.5 million	18.3 million
4.	Ares	SSN Indenture	13.8 million	
5.	Corre	SSN Indenture	55.5 million	2.6 million
6.	FPA	SSN Indenture	87.1 million	
7.	Nut Tree	SSN Indenture	48.6 million	
8.	Other (inclusive of stub SSN)	SSN Indenture	1.1 million	20.4 million

ANNEXURE N

List of Unsecured Scheme Creditors

Name		Creditors' Scheme Finance Document	Unsecured Debt Amount as at 12 May 2021 (US\$)	Shares owned at 12 May 2021
1.	CBP	Term Loan A	75.3 million	47.2 million
2.	CBP	Term Loan B	88.3 million	47.2 million
3.	CBP	SSN Indenture	3.8 million	47.2 million
4.	Ascribe	SSN Indenture	10.6 million	18.3 million
5.	Ares	SSN Indenture	2.0 million	
6.	Corre	SSN Indenture	8.2 million	2.6 million
7.	FPA	SSN Indenture	12.9 million	
8.	Nut Tree	SSN Indenture	7.2 million	
9.	Other (inclusive of stub SSN)	SSN Indenture	0.2 million	
10.	Ascribe	SUN Indenture	42.8 million	18.3 million
11.	Corre	SUN Indenture	45.5 million	2.6 million
12.	Other	SUN Indenture	5.7 million	20.4 million

ANNEXURE O

ASX Announcement dated 13 May 2021

ASX ANNOUNCEMENT (ASX:BLY)

13 May 2021

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000**BY ELECTRONIC LODGEMENT****Boart Longyear Completes Strategic Review;
Reaches Agreement with Majority of Lenders for Proposed Substantial Recapitalisation**

- *Overwhelming majority of Boart Longyear's lenders agree to proposed recapitalisation plan that will substantially reduce Company debt, strengthen the balance sheet, lower interest expense and enhance liquidity to support operations and future growth*
- *Under the agreement, total Company debt would decrease to less than US\$200 million, with approximately US\$795 million of debt being converted into equity; Lenders will own 98.5% of Company's post-recapitalisation ordinary shares*
- *Existing shareholders will be given opportunity to participate in the recapitalisation*
- *Company agrees to seek approval to move corporate and tax domicile to North America to streamline its corporate structure, better align with global operations, and secure improved access to capital markets and a broader investor pool; Boart Longyear will maintain its listing on the ASX and investors will continue to have ability to buy and sell shares*
- *Proposed transaction remains subject to court, regulatory and shareholder approvals*
- *Subject to these approvals, proposed transaction expected to be completed by end of August 2021*

Boart Longyear Limited (**ASX: BLY**) - Boart Longyear, one of the world's leading providers of drilling services and a pioneer in innovative drilling equipment and performance tooling, today announced that it has entered into a Restructuring Support Agreement (**RSA**) that would convert approximately US\$795 million of BLY's debt and accrued interest costs into 98.5% of BLY's post-recapitalisation ordinary shares of stock. If approved and implemented, the recapitalisation will substantially reduce debt, strengthen the balance sheet, lower interest expense and enhance liquidity to support the Company's operations and future growth.

The RSA was entered into by an overwhelming majority of the Company's lenders, including affiliates of Ares Management LLC (**Ares**), Ascribe II Investments LLC (**Ascribe**), Centerbridge Partners, L.P. (**Centerbridge**), Corre Partners Management LLC (**Corre**), First Pacific Advisers LP (**FPA**), HPS Investment Partners LLC (**HPS**) and Nut Tree Capital Management (**Nut Tree**), which hold the majority of the Company's approximately US\$900 million of debt that matures in 2022. The RSA sets out a process by which a recapitalisation (**Recapitalisation**) will be pursued, conditional upon receipt of necessary approvals.

ASX ANNOUNCEMENT (ASX:BLY)

“Over the past year, the Company has thoroughly investigated a number of strategic alternatives. Simply put, this Recapitalisation is clearly our best path to recovery for both lenders and equity holders,” said Boart Longyear’s Board Chair Kevin McArthur. “The independent Board of Directors established to oversee the process is unanimous in approval of this Recapitalisation as serving the best interests of all of our stakeholders.”

According to Boart Longyear CEO Jeff Olsen, “Boart Longyear’s underlying business is sound. Our operations are competitive, demand for our products and services is increasing, and the operating outlook is brighter than it has been in many years. But our debt level, and its servicing costs, has remained unsustainably high. We look forward to progressing to the implementation phase of this well-considered plan, both in Australia and North America. Following the transaction, the Company will emerge with an improved balance sheet and an enhanced ability to execute on its growth objectives, as the minerals industry enters an improved commodity cycle.”

Under the RSA, Term Loan A, Term Loan B and all lenders holding secured and unsecured notes will convert all of their debt into equity. This will reduce the Company’s debt position significantly, lowering the debt by approximately US\$795 million, or approximately 85% of existing total debt, and thereby securing the Company’s capital structure. While current shareholders will be diluted through the issuance of new equity to the participating creditors, shareholders will be given an opportunity to purchase additional equity alongside the creditors under the proposed plan.

Mr Olsen noted that the Company had implemented substantial operational and cost improvement actions in recent years that have improved the Company’s quality of earnings and long-term competitiveness. The slowdowns associated with the global pandemic in the past year, however, meant that the debt-to-earnings ratio remained unsustainably high.

“Reaching this challenging agreement with our creditors, while preserving value for shareholders, represents the best outcome possible under the circumstances,” said Mr. Olsen. “Industry trends had been challenging for a number of years, and the effects of the pandemic further stressed our balance sheet. The improvement in recent months was not enough to accommodate the debt service and upcoming maturities, although recent events have put us in good operational shape moving forward.”

He noted that the Company showed resilience throughout 2020 and the COVID-19 pandemic by reducing employee costs through pay reductions and furloughs, curtailing non-committed capital investment, implementing further inventory saving initiatives, improving the “Order to Cash” cycle and maintaining a best-in-class safety record. “We have taken many difficult steps in this process in recent years, and as we see the mining market continue to recover, we can now position the Company to best benefit, compete and grow as we move forward.”

Under the RSA, 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 Company believes that the benefits of a redomiciliation include a simplified corporate structure that could result in cost savings and accommodate growth, merger and acquisition activity and closer alignment to Company leadership, while also increasing access to lower-cost capital and potential for a broader investment pool. At completion of the transaction, Boart Longyear will maintain a listing on the ASX and does not expect a redomiciliation to result in material changes to the Company, its strategy, or its businesses.

ASX ANNOUNCEMENT (ASX:BLY)

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.

The Company, through the support of its existing banking and creditor relationships, has also reached agreement to secure short-term financing of approximately US\$65M, which will ensure adequate liquidity for operations through the restructuring process. This financing comprises:

- An incremental, short-term US\$50 million credit facility with Corre, FPA and Nut Tree to provide additional working capital to support BLY until the Recapitalisation and related transactions are completed (**Incremental Financing**); and
- An additional US\$15 million of accessible liquidity and four-year extension of an existing ABL facility with PNC (**Existing PNC ABL Facility**).

The Company also contemplates the raising of exit financing, which will refinance the Incremental Financing, the Existing Backstop ABL and, if determined commercially reasonable, the Existing PNC ABL (each defined below). The Company has begun a tender process to raise a debt facility of approximately US\$115 million (US\$190 million if the Existing PNC ABL is accommodated) that will be used to refinance these facilities.

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. Employees, suppliers and customers will not be impacted by this filing.

Subject to court, shareholder and other approvals, the Recapitalisation, Redomiciliation and related transactions (collectively, the **Restructuring**) are expected to be completed by the end of August 2021.

For a more detailed description of the items reviewed in this narrative, stakeholders are encouraged to review the summary that follows, as well as a copy of the restructuring support agreement located in the schedule to this announcement.

Restructuring Outcomes

Important Restructuring outcomes include:

- **Deleveraging:** Current outstanding debt under the Term Loan A (**TLA**), Term Loan B (**TLB**), the senior secured notes (**SSN**) and the senior unsecured notes (**SUN**) of approximately US\$795 million will be permanently eliminated in exchange for 98.5% of BLY's post-Recapitalisation ordinary shares (subject to dilution to the New Warrants, management incentive plans and any shares to be issued under the Share Purchase Plan and the Creditor Share Purchase Option, each as defined below) (**New Common Equity**) and, in respect of the SUNs only, new warrants to purchase shares of up to 10% of new common equity (**New Warrants**).

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- **Availability of Share Purchase Plan to non-associated shareholders:** Eligible shareholders will be offered the opportunity to participate in a new common equity share purchase plan, subject to an aggregate maximum cap of US\$2.5 million (**Share Purchase Plan**). All shareholders other than those who also hold any position in the TLA, TLB, SSN and SUNs (**Non-Associated Shareholders**) will be eligible to participate in the Share Purchase Plan.
- **Share buyback:** Subject to shareholder approval of the members' scheme of arrangement approving the Redomiciliation, small shareholders will have the opportunity, under certain conditions, to sell back their parcels of BLY shares should they choose not to retain their holdings moving forward. BLY will have the right to expend up to US\$500,000, at its discretion, to purchase small parcels of existing common BLY shares worth less than AU\$3,000 (valued nominally after the Recapitalisation) from Non-Associated Shareholders.
- **Creditor Share Purchase Option placement:** SUN holders will have an opportunity to participate in a new common equity purchase option, subject to an aggregate maximum cap of US\$2.5 million plus any undersubscription to the Share Purchase Plan. If the Creditor Share Purchase Option is undersubscribed, the remaining shares shall be offered, at the same price, to participating holders of TLA, TLB, SUN and SSN claims (**Creditor Share Purchase Option**).
- **Shareholder recoveries:** Due to equity being issued in connection with the Recapitalisation, the percentage of total common equity represented by existing equity will decrease to 1.5% post-Recapitalisation (excluding the effect of the Share Purchase Plan, the Creditor Share Purchase Option, any management incentive plans and the New Warrants). Non-Associated Shareholders will be entitled to participate in the Share Purchase Plan subject to the allocation principles under the plan and, subject to the discretion of BLY, the Share Buyback.
- **Redomiciliation:** The Company will proceed with a Redomiciliation to an agreed jurisdiction in North America in connection with the Recapitalisation, in accordance with terms of the RSA and subject to court and shareholder approval. The Redomiciliation would be implemented around the same time as the Recapitalisation and would, through a depository instrument, result in the new parent's shares being listed on the Australian Securities Exchange. It is not expected that the redomiciliation would result in any material changes to the Company, its strategy, or its businesses.

Recapitalisation Overview

The Company's primary objectives in its evaluation of recapitalisation alternatives were to reduce debt and improve its liquidity while maintaining the best outcome for shareholders. The Recapitalisation the independent Board Committee is recommending is consistent with these objectives.

The Company also noted in its ASX Announcements dated 7 January 2021 and 29 April 2021 that its capital structure was unsustainable and inhibiting the Company's growth, and that existing lenders may consider conversion of all or part of their debt to equity, which would be highly dilutive to existing shareholders.

BLY and lenders affiliated with Centerbridge, Ares, Ascribe, Corre, FPA, HPS and Nut Tree (together, the Supporting Creditors) have entered into a restructuring support agreement (RSA) which sets out a process to give effect to the Recapitalisation, subject to certain conditions precedent being satisfied or waived (as applicable). A copy of the RSA executed by BLY and the Supporting Creditors is attached as a Schedule to this announcement.

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All shareholders are recommended and encouraged to read the RSA in full. However, the key features and terms of the Restructuring are as follows:

Centerbridge Term Loan A and Term Loan B	<p>The amounts owing under the TLA and the TLB of approximately US\$353.5 million (in aggregate) will be equitized in full in exchange for:</p> <ul style="list-style-type: none"> • Pro rata share of the New Common Equity, calculated based upon 100% of the face value of the secured portion of its TLA and TLB claim (as applicable); • Pro rata share of the New Common Equity, calculated based upon 25% of the face value of the unsecured portion of its TLA and TLB Claim; and • Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option.
10% Senior Secured Notes due 2022	<p>The amount owing under the SSN of approximately US\$348.4 million will be equitized in full in exchange for the SSN holders receiving:</p> <ul style="list-style-type: none"> • Pro rata share of the New Common Equity, calculated based upon 100% of the face value of the secured portion of its SSN claim; • Pro rata share of the New Common Equity, calculated based upon 25% of the face value of the unsecured portion of its SSN claim; and • Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option.
1.5% Senior Unsecured Notes due 2022	<p>The amount owing under the SUN's of approximately US\$93.9 million will be equitized in full in exchange for the SUN holders receiving:</p> <ul style="list-style-type: none"> • Pro rata share of the New Common Equity, calculated based upon 22.5% of the face amount of its SUN claim; • Pro rata share of the New Warrants (see below), distributed solely to SUN holders and calculated based upon 100% of the face amount of its SUN claim; and • Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option.
Existing equity, Share Purchase Plan & existing warrants and options	<ul style="list-style-type: none"> • 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

ASX ANNOUNCEMENT (ASX:BLY)

	<p>purchase new common equity, subject to an aggregate maximum cap of US\$2.5 million.</p> <ul style="list-style-type: none"> • If the Share Purchase Plan is oversubscribed by Non-Associated Shareholders, participating Non-Associated Shareholders shall be scaled back such that they will 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.
Creditor Share Purchase Option	<p>Under the Creditor Share Purchase Option, and subject to an aggregate maximum cap of US\$2.5 million plus any undersubscription of the Share Purchase Plan:</p> <ul style="list-style-type: none"> • Each SUN holder will be offered the right to purchase its pro rata share of new equity in post-Recapitalised BLY, calculated upon 100% of the face amount of the SUN claims held by SUN holders that elect to take up the private placement. • If the Creditor Share Purchase Option is undersubscribed, the remaining shares shall be offered, at the same price, to participating holders of the TLA claims, TLB claims or the SSN claims receiving the New Common Equity in the same allocations as such holders will receive under the Creditors' Schemes.
New Warrants	<p>SUN holders will receive New Warrants which confer the right to purchase up to 10% of the New Common Equity (subject to dilution to the New Warrants, management incentive plans and any shares to be issued under the Share Purchase Plan and the Creditor Share Purchase Option), with a strike price per share that corresponds to an overall recovery to the holders of SSN claims on account of their SSN claims, of 115%.</p>
Share Buyback	<p>Subject to shareholder approval of the members' scheme of arrangement approving the Redomiciliation, small shareholders will have the opportunity, under certain conditions, to sell back their parcels of BLY shares should they choose not to retain their holdings moving forward. The Company proposes to expend up to US\$500,000, to offer to purchase small parcels of existing common shares worth less than AU\$3,000 from Non-Associated Shareholders on terms and pricing to be determined by BLY.</p>

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Existing PNC ABL	Unless refinanced in full by any exit financing, the Existing PNC ABL remains in place, subject to maturity extension and any other modifications with lenders to give effect to the Restructuring.
Backstop ABL	Unless refinanced in full by any exit financing, the Backstop ABL remains in place, subject to maturity extension and any other modifications with lenders to give effect to the Restructuring.
General unsecured claims	The rights and claims of general unsecured creditors will remain unimpaired and not be impacted by the Restructuring.
Governance	The initial and subsequent post-Restructuring board of directors of BLY shall comprise of 9 directors and at least two Australian resident directors and include: <ul style="list-style-type: none"> • The Chief Executive Officer; • 5 directors nominated by Centerbridge; and • 3 directors nominated by the Supporting Creditors (other than Centerbridge).
Redomiciliation	<ul style="list-style-type: none"> • BLY to take all steps necessary to redomicile its corporate and tax domicile to an agreed jurisdiction in North America. The Redomiciliation would be implemented through a members' scheme of arrangement. The members' scheme of arrangement is subject to court and shareholder approval. • The redomiciled business would be listed on the ASX via certificates of deposit.
Exit financing	New money loan to fully refinance the existing Backstop ABL, the Incremental Financing and if determined commercially reasonable by the Company and key creditors, the amount needed to fully refinance the Existing PNC ABL.

Implementation

The Company will seek to implement the Recapitalisation primarily by two Australian creditors' schemes of arrangement and seek recognition by a chapter 15 filing in the United States to implement the Recapitalisation and bind all holders of the TLA, TLB, SSN and SUNs.

The Recapitalisation is also subject to shareholders who are not party to the RSA supporting the Recapitalisation. An extraordinary general meeting (EGM) to be convened by the Company to consider and vote on the resolutions required to give effect to various elements of the Recapitalisation is expected to be convened around August 2021.

The Redomiciliation will be implemented through an Australian members' scheme of arrangement. The Redomiciliation is subject to shareholder approvals at the EGM scheduled for August 2021.

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Incremental Financing

Boart Longyear Management Pty Limited, an affiliate of BLY has received a commitment for a new money raising in the form of a senior secured debt facility in the amount of US\$50 million to provide additional working capital until the Recapitalisation is completed.

The material terms of the Incremental Financing are:

- Initial Lender: certain investment funds or affiliated entities managed by Corre, FPA and Nut Tree
- Commitment amount: US\$50 million, with an initial draw of US\$30 million with up to two additional drawdowns subject to a minimum of US\$10 million per draw
- Maturity date: 31 December 2021
- Interest rate: (a) drawn funds at 11% per annum PIK or 10% if paid in cash; and (b) 1.5% on undrawn amount
- Commitment fee: none
- Guarantee/ security: Incremental Financing will be guaranteed by the same obligors as the Existing Backstop ABL and secured by the same collateral as the Existing Backstop ABL

Recommendation of the Independent Directors

The Independent Directors have determined the Recapitalisation to be in the best interests of BLY and its shareholders. Subject to no superior proposal emerging and the independent expert not concluding that the Recapitalisation is "not fair" and "not reasonable" to the Non-Associated Shareholders, the Independent Directors of BLY unanimously recommend that shareholders vote in favour of the resolutions required to give effect to the Recapitalisation.

In arriving at their decision to recommend the Recapitalisation, the Independent Directors considered the following:

- The Company retained independent financial advisors to provide advice on strategic options, market conditions and tactical considerations (**Strategic Review**) all aimed at enhancing value for creditors, shareholders, and the many constituents of the Company.
- The Board formed a Committee of Independent Directors to work with management and to provide oversight of the Strategic Review. The Committee and a core management team met frequently with advisors to review and assess the progress of negotiations, the strategic and tactical options available and the markets for debt and equity. The Committee and management reported regularly to the full Board, as appropriate.
- The Company's current capital structure is unsustainable in the medium term. The Company has been operating under high debt levels and constrained liquidity conditions that became more severe due to the financial impacts of the COVID-19 pandemic, given the high costs to service the existing debt and the lack of available options to obtain incremental capital to fund the business operations.

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- The Strategic Review showed that a comprehensive deleveraging was necessary. After extensive negotiations with the Supporting Creditors, the Recapitalisation emerged as the best and only executable option to maximise long term value for the Company and its stakeholders.
- The Recapitalisation will provide the Company with a sustainable capital structure and provide improved financial flexibility.
- While existing shareholders will be significantly diluted, the Recapitalisation will give those shareholders the best feasible opportunity to extract value from their shareholding when measured against the alternatives.
- If the Recapitalisation is not implemented, BLY would be required to renegotiate with its lenders to implement an alternative restructuring proposal. The Directors consider it unlikely that a superior proposal could be agreed with the lenders, or that any alternative proposal, if capable of implementation, would result in a better return for creditors and shareholders than the proposed Recapitalisation. Absent implementing an alternative restructuring proposal to the Recapitalisation, BLY would likely be required to seek insolvency protection either in Australia or the United States through Voluntary Administration or Chapter 11 proceedings respectively.

Next steps for shareholders

A notice of meeting, which will contain an explanatory memorandum and Independent Expert Report will be sent to shareholders in due course. Shareholders are strongly encouraged to read these documents carefully. They will contain important information about the Recapitalisation and the resolutions required to give effect to the Recapitalisation. The Directors encourage shareholders to attend the meeting or vote via the proxy form that will be included in the notice of meeting.

If the Company and the lenders agree to proceed with the redomiciliation that is currently under consideration, shareholders will also receive an explanatory statement in relation to the member's scheme. This will contain important information about the proposed redomiciliation under consideration and will outline next steps for shareholders.

Authorised for lodgement by:

Nora Pincus,
Company Secretary

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Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")) ("U.S. Person"). Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities have been registered under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration.

This announcement includes forward-looking statements within the meaning of securities laws. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Any forward-looking statements involve known and unknown risks and uncertainties, many of which are outside the control of the Company and its representatives. Forward-looking statements may also be based on estimates and assumptions with respect to future business decisions, which are subject to change. Any statements, assumptions, opinions or conclusions as to future matters may prove to be incorrect, and actual results, performance or achievement may vary materially from any projections and forward-looking statements.

About Boart Longyear

Established in 1890, Boart Longyear is in its 131st 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 utilises 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.



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www.boartlongyear.com

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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. To get Boart Longyear news direct, follow us on Twitter, LinkedIn and Facebook.

For more information about the Restructuring, see the Restructuring Initiatives page at www.boartlongyear.com/restructuring-initiatives. In addition to the contact information below, investors can contact the Investor Support line at 1300 540 303 (Domestic) or +61 2 9066 4083 (International).

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SCHEDULE

RESTRUCTURING SUPPORT AGREEMENT

Restructuring Support Agreement

Boart Longyear Limited
Boart Longyear Management Pty Limited
BL Capital Management LLC
BLY US Holdings Inc.
CCP II Acquisition Holdings, LLC.
Centerbridge Credit Partners Master AIV III, L.P.
Centerbridge Credit Partners Master, L.P.
Centerbridge Special Credit Partners Master II AIV III, L.P.
Centerbridge Special Credit Partners II, L.P.
Ascribe II Investments LLC
Corre Opportunities Qualified Master Fund, LP
Corre Horizon Fund, LP
FPA New Income, Inc.
Motion Picture Industry Health Plan (Active)
Motion Picture Industry Health Plan (Retiree)
Motion Picture Industry Individual Account Plan
SAG-AFTRA Health Plan
The Health Plan of West Virginia, Inc.
The Nature Conservancy
Nut Tree Master Fund, LP
ARES Institutional High Yield Master Fund LP
KAISER FOUNDATION HEALTH PLAN, INC., AS FIDUCIARY OF KAISER PERMANENTE GROUP TRUST
KAISER FOUNDATION HOSPITALS
Lucent Technologies Inc. Master Pension Trust
Seattle City Employees' Retirement System
SEI GLOBAL MASTER FUND PLC
SEI Institutional Investment Trust - High Yield Bond Fund
SEI Institutional Managed Trust - High Yield Bond Fund
SEI Investments Canada Company – U.S. High Yield Bond Fund
Superannuation Funds Management Corporation of South Australia
Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund
Arch Investment Holdings IV Ltd
Cardinal Fund, L.P.
Credit Value Master Fund 2016 Subsidiary, Ltd
Institutional Credit Fund Subsidiary, L.P.
Watford Re Ltd
ZALICO VL Series Account-2

Restructuring Support Agreement

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Details

Date

Parties

Name	Boart Longyear Limited
Short form name	BLY
Notice details	2455 South 3600 West West Valley City, UT 84119 Attention: Nora R. Pincus, General Counsel
	- with a copy, which shall not constitute notice, to – Ashurst Australia Level 11, 5 Martin Place Sydney NSW 2000 Attention: James Marshall and Alinta Kemeny
	- with a copy, which shall not constitute notice, to – Milbank LLP 55 Hudson Yards New York, NY 10001-2163 Attention: Dennis F. Dunne and Thomas R. Kreller
Australian Company Number	123 052 728

Name	Boart Longyear Management Pty Limited
Short form name	BLY Issuer
Notice details	2455 South 3600 West West Valley City, UT 84119 Attention: Nora R. Pincus, General Counsel
	- with a copy, which shall not constitute notice, to – Ashurst Australia Level 11, 5 Martin Place Sydney NSW 2000 Attention: James Marshall and Alinta Kemeny
	- with a copy, which shall not constitute notice, to – Milbank LLP 55 Hudson Yards New York, NY 10001-2163 Attention: Dennis F. Dunne and Thomas R. Kreller
Australian Company Number	123 283 545

Name BL Capital Management LLC
Short form name Term Loan Issuer
Notice details 2455 South 3600 West
West Valley City, UT 84119
Attention: Nora R. Pincus, General Counsel

- with a copy, which shall not constitute notice, to –
Ashurst Australia
Level 11, 5 Martin Place
Sydney NSW 2000
Attention: James Marshall and Alinta Kemeny

- with a copy, which shall not constitute notice, to –
Milbank LLP
55 Hudson Yards
New York, NY 10001-2163
Attention: Dennis F. Dunne and Thomas R. Kreller

Name BLY US Holdings Inc.
Short form name Holdings
Notice details 2455 South 3600 West
West Valley City, UT 84119
Attention: Nora R. Pincus, General Counsel

- with a copy, which shall not constitute notice, to –
Ashurst Australia
Level 11, 5 Martin Place
Sydney NSW 2000
Attention: James Marshall and Alinta Kemeny

- with a copy, which shall not constitute notice, to –
Milbank LLP
55 Hudson Yards
New York, NY 10001-2163
Attention: Dennis F. Dunne and Thomas R. Kreller

Name CCP II Acquisition Holdings, LLC.
Centerbridge Credit Partners Master AIV III, L.P.
Centerbridge Credit Partners Master, L.P.
Centerbridge Special Credit Partners Master II AIV III, L.P. and
Centerbridge Special Credit Partners II, L.P.

Short form name

CBP

Notice details

c/o Centerbridge Partners, L.P.

Attention: Conor Tochilin

375 Park Avenue

12th Floor

New York, New York 10152

United States

- with a copy, which shall not constitute notice, to –

Kirkland & Ellis LLP

Attention: Anup Sathy, P.C., and John R. Luze

300 North LaSalle

Chicago, Illinois 60654

United States

- with a copy, which shall not constitute notice, to –

MinterEllison

Attention: Ron Forster and Michael Hughes

Governor Macquarie Tower

1 Farrer Place Sydney NSW 2000

Australia

Name

Ascribe II Investments LLC

Short form name

Ascribe

Notice details

c/o Ascribe Capital

Attention: Lawrence First and Kamil Gazizullin

590 Madison Avenue, 38th Floor

New York, New York 10022

United States

- with a copy, which shall not constitute notice, to –

Paul, Weiss, Rifkind, Wharton & Garrison LLP

Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang

1285 Avenue of the Americas

New York, NY 10019

United States

- with a copy, which shall not constitute notice, to –
Gilbert + Tobin
Attention: Dominic Emmett
L35, Tower Two, International Towers Sydney
200 Barangaroo Avenue, Barangaroo NSW 2000
Australia

- with a copy, which shall not constitute notice, to –
Clifford Chance, Sydney
Attention: David Clee
Level 16, No. 1 O'Connell Street
Sydney NSW 2000
Australia

Name	Corre Opportunities Qualified Master Fund, LP Corre Horizon Fund, LP
Short form name	Corre
Notice details	c/o Corre Partners Management, LLC Attention: John Barrett and Saurabh Kapadia 12 E. 49th St., 40th Fl. New York, NY 10017 United States

- with a copy, which shall not constitute notice, to –
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu
Pang
1285 Avenue of the Americas
New York, NY 10019
United States

- with a copy, which shall not constitute notice, to –
Gilbert + Tobin
Attention: Dominic Emmett
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200 Barangaroo Avenue, Barangaroo NSW 2000
Australia

- with a copy, which shall not constitute notice, to –
Clifford Chance, Sydney
Attention: David Clee

Level 16, No. 1 O'Connell Street
Sydney NSW 2000
Australia

Name FPA New Income, Inc.
Motion Picture Industry Health Plan (Active)
Motion Picture Industry Health Plan (Retiree)
Motion Picture Industry Individual Account Plan
SAG-AFTRA Health Plan
The Health Plan of West Virginia, Inc.
The Nature Conservancy

Short form name FPA

Notice details c/o First Pacific Advisors, LP
Attention: Abhi Patwardhan and Joe Choi
11601 Wilshire Boulevard, Suite 1200
Los Angeles, California 90025
United States

- with a copy, which shall not constitute notice, to –

Paul, Weiss, Rifkind, Wharton & Garrison LLP

Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang

1285 Avenue of the Americas

New York, NY 10019

United States

- with a copy, which shall not constitute notice, to –

Gilbert + Tobin

Attention: Dominic Emmett

L35, Tower Two, International Towers Sydney

200 Barangaroo Avenue, Barangaroo NSW 2000

Australia

- with a copy, which shall not constitute notice, to –

Clifford Chance, Sydney

Attention: David Clee

Level 16, No. 1 O'Connell Street

Sydney NSW 2000

Australia

Name	Nut Tree Master Fund, LP
Short form name	Nut Tree
Notice details	c/o Nut Tree Capital Management Attention: Jed Nussbaum and Scott Silver 55 Hudson Yards, 22 FL New York, NY 10001 United States
	- with a copy, which shall not constitute notice, to – Paul, Weiss, Rifkind, Wharton & Garrison LLP Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang 1285 Avenue of the Americas New York, NY 10019 United States
	- with a copy, which shall not constitute notice, to – Gilbert + Tobin Attention: Dominic Emmett L35, Tower Two, International Towers Sydney 200 Barangaroo Avenue, Barangaroo NSW 2000 Australia
	- with a copy, which shall not constitute notice, to – Clifford Chance, Sydney Attention: David Clee Level 16, No. 1 O'Connell Street Sydney NSW 2000 Australia

Name	ARES Institutional High Yield Master Fund LP Kaiser Foundation Health Plan, INC., as fiduciary of Kaiser Permanente Group Trust Kaiser Foundation Hospitals Lucent Technologies Inc. Master Pension Trust Seattle City Employees' Retirement System SEI Global Master Fund PLC SEI Institutional Investment Trust - High Yield Bond Fund SEI Institutional Managed Trust - High Yield Bond Fund SEI Investments Canada Company – U.S. High Yield Bond Fund Superannuation Funds Management Corporation of South Australia Touchstone Funds Group Trust - Touchstone Credit Opportunities II Fund
------	--

Short form name Ares
Notice details [c/o Ares Management LLC
Attention: Russell Almeida and Joanne Hanson Bonney
800 Corporate Point Suite 300
Los Angeles, CA 90230
United States

- with a copy, which shall not constitute notice, to –

Paul, Weiss, Rifkind, Wharton & Garrison LLP

Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang

1285 Avenue of the Americas

New York, NY 10019

United States

- with a copy, which shall not constitute notice, to –

Gilbert + Tobin

Attention: Dominic Emmett

L35, Tower Two, International Towers Sydney

200 Barangaroo Avenue, Barangaroo NSW 2000

Australia

- with a copy, which shall not constitute notice, to –

Clifford Chance, Sydney

Attention: David Clee

Level 16, No. 1 O'Connell Street

Sydney NSW 2000

Australia

Name Arch Investment Holdings IV Ltd
Cardinal Fund, L.P.
Credit Value Master Fund 2016 Subsidiary, Ltd
Institutional Credit Fund Subsidiary, L.P.
Watford Re Ltd
ZALICO VL Series Account-2

Short form name HPS
Notice details c/o HPS Investment Partners, LLC
Attention: Christoph Matern
40 West 57th Street, 33rd Floor
New York, NY 10019
United States

- with a copy, which shall not constitute notice, to –

Paul, Weiss, Rifkind, Wharton & Garrison LLP

Attention: Andrew N. Rosenberg, Elizabeth McColm, Michael M. Turkel and Xu Pang

1285 Avenue of the Americas

New York, NY 10019

United States

- with a copy, which shall not constitute notice, to –

Gilbert + Tobin

Attention: Dominic Emmett

L35, Tower Two, International Towers Sydney

200 Barangaroo Avenue, Barangaroo NSW 2000

Australia

- with a copy, which shall not constitute notice, to –

Clifford Chance, Sydney

Attention: David Clee

Level 16, No. 1 O'Connell Street

Sydney NSW 2000

Australia

Background

- A BLY and its Subsidiaries are proposing various transactions, which together comprise the Transactions.
- B The Supporting Creditors have agreed to support the BLY Creditors' Schemes and have agreed to implement the Transactions each on the terms of this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement:

Accounting Standards means:

- (a) the accounting standards applicable for the purposes of the Corporations Act;
- (b) the requirements of the Corporations Act for the preparation and content of financial statements, directors' reports and auditor's reports; and
- (c) generally accepted and consistently applied accounting principles and practices in Australia, except those inconsistent with the standards or requirements referred to in paragraphs (a) or (b).

Agreed Jurisdiction means Canada, unless BLY and the Initial Supporting Creditors agree in writing within 15 Business Days after the date of this agreement on another jurisdiction.

AHG means Ascribe, Corre, FPA, Nut Tree, Ares and HPS, and **AHG Member** means any one of them.

AHG Counsel means counsel representing AHG, being, with respect to Australian law matters, Gilbert + Tobin and Clifford Chance, Sydney, and, with respect to United States federal and New York state law matters, Paul, Weiss, Rifkind, Wharton & Garrison LLP, or any successor legal counsel to AHG.

AIFRS means the International Financial Reporting Standards as adopted in Australia.

Allocations Spreadsheet means the spreadsheet to be agreed to by BLY, CBP and each AHG Member as the allocations spreadsheet for the purpose of the Restructuring Implementation Deed which sets out each party's entitlement to the relevant securities issued under the applicable Restructuring Document.

Announcement means an announcement regarding the Transaction by BLY in the form agreed by BLY and the Initial Supporting Creditors (each party acting reasonably), prior to signing of this agreement.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

Australian Court means the Supreme Court of New South Wales.

Australian Proceeding means the proceeding filed in the Australian Court seeking approval of the BLY Creditors' Schemes.

Backstop ABL means the Term Loan Securities Agreement dated as of July 23, 2017 (as amended by the First Amendment to Term Loan Securities Agreement dated as of August 5, 2017, the Second Amendment to Term Loan Securities Agreement dated as of August 31, 2017, the Third Amendment to Term Loan Securities Agreement dated as of July 24, 2019, the Fourth Amendment to Term Loan Securities Agreement dated as of March 19, 2020 and as further amended, varied or amended and restated from time to time) by and among BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022.

Backstop ABL Claims means the obligations under the Backstop ABL.

Bankruptcy Law means the U.S. Bankruptcy Code, the Australian Bankruptcy Act of 1966, the Corporations Act, in each case, as amended, or any similar federal, foreign, or state or provincial laws of the United States or Australia for relief of debtors.

BLY's Counsel means, with respect to matters of Australian law, Ashurst Australia, and, with respect to matters of United States federal and New York state law, Milbank LLP, or any successor legal counsel to BLY and such other counsel which BLY elects to appoint.

BLY Board means:

- (a) for the purposes of considering and recommending the Transaction, the board of directors of BLY (other than any directors who may have an actual or perceived conflict in respect of their duties and who have agreed to not participate in any meeting in accordance with the amended board protocol as adopted by the board of BLY); and
- (b) for the purposes of the Redomiciliation and all other purposes, the board of directors of BLY (other than any director who may decline to make a recommendation on the basis of an actual or perceived conflict of interest).

BLY Creditors' Schemes has the meaning given in clause 6.1(a).

BLY Creditors' Scheme Meetings means the meetings of Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable) and includes any meeting convened following any adjournment or postponement of that meeting.

BLY Disclosures means all current announcements, releases and disclosures made by BLY to the ASX as listed on BLY's website at <https://www.boartlongyear.com/company/investors/announcements/>.

BLY Group means BLY and each of its Subsidiaries, and a reference to **BLY Group Member** or a member of the **BLY Group** is to BLY or any of its Subsidiaries.

BLY Share means a fully paid ordinary share in the capital of BLY.

BLY Share Register means the register of members of BLY maintained in accordance with the Corporations Act.

BLY Shareholder means a person who is registered as the holder of a BLY Share in the BLY Share Register.

BLY Warranty means the warranties set out in Part B of Schedule 1.

Breaching Creditor has the meaning given in clause 13.3(a)(i)(A).

Business Day means a day that is not a Saturday, Sunday, a public holiday or bank holiday in Adelaide, Sydney, or Salt Lake City.

Capacity Warranty means the warranties set out in Part A of Schedule 1.

Chapter 15 Cases means cases commenced under chapter 15 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court seeking (i) recognition of the Australian Proceeding and (ii) recognition and enforcement of the BLY Creditors' Schemes.

Chapter 15 Order means, in respect of the Australian Proceeding, the Secured Creditors' Schemes and the Unsecured Creditors' Schemes, any recognition order from the U.S. Bankruptcy Court entered in the Chapter 15 Cases.

Collateral Agents means (i) Wilmington Trust, National Association as collateral agent under the Term Loan A, (ii) Wilmington Trust, National Association as collateral agent under the Term Loan B, (iii) U.S. Bank National Association as collateral agent under the Secured Notes Indenture, (iv) Wilmington Trust, National Association as collateral agent under the Backstop ABL and, in each case, any successor collateral agent thereunder.

Commencement Date means the first date on which this agreement has been duly executed by all parties expressed to be a party to it as of such date.

Competing Proposal means any dissolution, winding up, liquidation, reorganisation, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership sale of assets, financing (debt or equity), refinancing, or restructuring of BLY, other than the restructuring contemplated herein, including, but not limited to, any proposal, agreement, arrangement or transaction, received in writing within the period from the Commencement Date to the Completion Date which, the BLY Board determines, in good faith and in consultation with BLY's Counsel if completed, would mean a third party (either alone or with any Associate of that third party) may:

- (a) directly or indirectly acquire a Relevant Interest in 20% or more of the BLY Shares or 50% or more of the share capital of any Material BLY Subsidiary;
- (b) acquire Control of BLY;
- (c) directly or indirectly acquire a legal, beneficial or economic interest in, or Control of, all or a material part of BLY Group's business or assets or the business or assets of the BLY Group taken as a whole; or
- (d) otherwise directly or indirectly acquire or merge with BLY or acquire a Material BLY Subsidiary.

Completion Date means the first date on which all of the Milestones have been completed.

Conditions means the conditions precedent specified in clause 5.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Australian Court, the U.S. Bankruptcy Court, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the parties.

Court Documents means each of:

- (a) the originating process to be filed with the Australian Court under sections 411 and 1349 of the Corporations Act seeking an order to convene the BLY Creditors' Scheme Meetings and the Scheme Approval Orders and an order under section 411(16) of the Corporations Act;
- (b) the originating process to be filed with the Australian Court under section 411 of the Corporations Act seeking an order to convene the meeting of BLY Shareholders to consider and vote on the Redomiciliation Scheme and the Redomiciliation Approval Orders;
- (c) material applications, pleadings, affidavits, submissions and proposed orders in connection with the Schemes and the Redomiciliation Scheme; and
- (d) the application filed in connection with the Chapter 15 Cases, including any supporting affidavits.

Creditors' Schemes Independent Expert means FTI Consulting, the independent expert in respect of the BLY Creditors' Schemes as appointed by BLY.

Creditors' Schemes Expert Report means the report to be issued by the Creditors' Schemes Independent Expert in connection with the BLY Creditors' Schemes.

Creditors' Schemes Explanatory Booklet means the explanatory statement to be prepared by BLY in respect of each of the Schemes in accordance with the Corporations Act and the terms of this agreement and to be despatched to Creditors.

Director Appointment Agreement means an agreement to be executed between BLY and Centerbridge related entities, and a separate agreement to be executed between BLY and each AHG Member, each in respect of directors to be nominated and in form agreed between the parties prior to execution of this agreement.

Dispose means, in respect of any asset, to sell, assign, transfer, convey, grant an option over, grant or allow a Security Interest over, or otherwise dispose of a legal or beneficial interest in such asset (and **Disposal** and **Disposing** have corresponding meanings).

Effective means, when used in relation to the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (as applicable), the coming into effect, under section 411(10) of the Corporations Act, of the order of the Australian Court made under section 411(4)(b) of the Corporations Act in relation to the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (as applicable).

EGM Independent Expert means KPMG, the independent expert in respect of the Transaction Resolutions as appointed by BLY.

EGM Expert Report means the report to be issued by the EGM Independent Expert in connection with the Transaction Resolutions.

EGM Explanatory Booklet means the explanatory statement to be prepared by BLY in respect of the Transaction Resolutions in accordance with the Corporations Act and the terms of this agreement and to be despatched to the BLY Shareholders.

End Date means the first to occur of:

- (a) the completion of the Transaction;
- (b) the date on which a party terminates this agreement in accordance with clause 13 provided that the End Date will only be applied to the Terminating Creditor if such Terminating Creditor terminates this agreement pursuant to clause 13.3(a); and
- (c) the Longstop Date.

Enforcement Action means in relation to a Supporting Creditor or the agent or lenders under the Existing ABL or Backstop ABL, such party taking any step(s) in connection with or in furtherance of:

- (a) any action for the enforcement of any security held in relation to the Relevant Finance Document, Existing ABL or Backstop ABL;
- (b) any action under any guarantee under or in relation to the Relevant Finance Documents, Existing ABL or Backstop ABL or the liabilities under them;
- (c) demanding or claiming repayment of all or part of any money owing under the Relevant Finance Documents, Existing ABL or Backstop ABL; or
- (d) instructing any agent, trustee or other party to take any of the actions specified above.

Enforcement Date has the meaning given in clause 10.1(i).

Exclusivity Period means, in respect of any party, the period from the Commencement Date until the End Date.

Existing ABL means the Amended and Restated Revolving Credit and Security Agreement, dated as of July 23, 2017 (as amended by the First Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of August 30, 2017, the Second Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of March 30, 2018, the Third Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of September 18, 2018, the Fourth Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of October 22, 2018, the Fifth Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of July 24, 2019, the Sixth Amendment to the Amended and Restated Revolving Credit and Security Agreement dated as of April 28, 2020 and as further as amended, restated, supplemented, waived, refinanced or otherwise modified from time to time) among BLY, the Parent, the other guarantors identified therein and PNC Bank, National Association, as administrative agent and collateral agent.

Exit Financing has the meaning given to that term in the Restructuring Term Sheet.

Explanatory Booklet means (as applicable):

- (a) the EGM Explanatory Booklet; or
- (b) the Creditors' Schemes Explanatory Booklet.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB Approval means any notice by the Treasurer under the FATA to the effect that there is no objection to the notifiable action by the applicant in participating in the Transaction or there is no significant or notifiable action for the purposes of FATA, or by reason of lapse of time, the Treasurer becomes no longer empowered under FATA to make an order prohibiting the acquisition or action by the applicant.

First Court Date means the date on which the Australian Court hears the application for an order that a meeting of creditors be convened to consider and vote on the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable) under section 411(1) of the Corporations Act.

General Meeting means the meeting of BLY Shareholders to consider and vote on the Transaction Resolutions and includes any meeting convened following any adjournment or postponement of that meeting.

Government Agency means, whether foreign or domestic:

- (a) a government, whether federal, state, provincial, territorial or local or a department, office or minister of a government acting in that capacity, or any person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

GST means GST as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth), or any like tax.

Indebtedness means any indebtedness for or in respect of:

- (a) any amount drawn under a debt facility (but excluding bank guarantees and letters of credit issued in the ordinary course);
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any liability in respect of a lease or hire purchase contract which would in accordance with the Accounting Standards be treated as a finance lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing (other than where the goods or services are obtained on normal commercial terms in the ordinary course of business);
- (g) any derivative transaction (and, when calculating the value of that derivative transaction, only the mark to market value (or, if any actual amount is due as a result of the termination or close-out of that treasury transaction, that amount) shall be taken into account and to the extent such amount is negative it will be subtracted);
- (h) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (i) consideration for the acquisition of assets or services payable more than 180 days after the acquisition;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) not of a type contemplated by the other paragraphs of this definition having the commercial effect of a borrowing and which is treated as such under the Accounting Standards; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) for any third party.

Independent Expert means (as applicable):

- (a) EGM Independent Expert;
- (b) Creditors' Schemes Independent Expert; or
- (c) The Redomiciliation Independent Expert.

Independent Expert's Report means (as applicable):

- (a) EGM Expert's Report;
- (b) Creditors' Schemes Expert Report; and
- (c) Redomiciliation Expert Report.

Initial Supporting Creditors means:

- (a) CBP in its capacity as a beneficial holder, or investment advisers or managers for the account of beneficial holders, of obligations arising under the Backstop ABL, Term Loan A, the Term Loan B, and the Secured Notes Indenture;

- (b) Ascribe in its capacity as beneficial holder, or investment adviser or manager for the account of beneficial holders, of obligations arising under the Secured Notes Indenture and the Unsecured Notes Indenture;
- (c) Corre in its capacity as beneficial holder, or investment adviser or manager for the account of beneficial holders, of obligations arising under the Backstop ABL, the Secured Notes Indenture and the Unsecured Notes Indenture;
- (d) FPA in its capacity as beneficial holder, or investment adviser or manager for the account of beneficial holders, of obligations arising under the Backstop ABL and the Secured Notes Indenture; and
- (e) Nut Tree in its capacity as beneficial holder, or investment adviser or manager for the account of beneficial holders, of obligations arising under the Secured Notes Indenture.

Insolvency Event means, in respect of BLY or its Subsidiaries, the occurrence of any of the following after the Commencement Date:

- (a) a voluntary administrator being appointed to the person pursuant to the Corporations Act;
- (b) the person passing a resolution, for its winding up under Australian law;
- (c) the person has a trustee, assignee, liquidator, provisional liquidator, administrator (other than a scheme administrator), custodian, controller, sequestrator, receiver, receiver and manager or similar official under Bankruptcy Law appointed to it or in respect of all or substantially all of its property;
- (d) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
 - (i) is for relief against the person in an involuntary case under any applicable Bankruptcy Law;
 - (ii) appoints a receiver, receiver and manager, trustee, assignee, liquidator, provisional liquidator, administrator (other than a scheme administrator), custodian, controller, examiner, sequestrator or similar official under Bankruptcy Law of the person; or
 - (iii) orders the liquidation, provisional liquidation, winding-up or dissolution of the person;
 and the order or decree remains in effect for a period of 30 consecutive days;
- (e) the filing of a voluntary or involuntary case under chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court; and/or
- (f) taking any action for the purpose of effecting any of the foregoing.

unless such occurrence takes place in furtherance of the Transaction in accordance with this agreement.

Interim Financing means that certain Term Loan Securities Agreement, to be entered into by and among Boart Longyear Management Pty Ltd ABN 38 123 283 545, a company incorporated under the laws of the Commonwealth of Australia, BLY, certain subsidiaries of BLY as guarantors, the purchasers from time to time party thereto, Wilmington Trust, National Association, as administrative agent and U.S. Bank National Association as collateral agent.

Interim Financing Consents means any and all consents and amendments necessary under any Relevant Finance Documents to permit BLY to enter into and incur the obligations under the Interim Financing.

Joinder Agreement means the joinder agreement materially in the form set out in Schedule 4.

Key Restructuring Documents means each of:

- (a) the Scheme Documents, the deeds poll contemplated thereunder and the Scheme Approval Orders;
- (b) the Transaction Resolutions;
- (c) the Chapter 15 Order;
- (d) the Restructuring Implementation Deed, including the Allocations Spreadsheet;

- (e) the New Warrants;
- (f) all material documents entered into in connection with the Exit Financing; and
- (g) the Redomiciliation Scheme Document, the Redomiciliation Approval Orders and each of the constituent documents for the entity that will ultimately acquire all BLY Shares pursuant to the Redomiciliation.

Listing Rule 7.1 Resolutions has the meaning given in clause 5.1.

Listing Rule 10.11 Resolutions has the meaning given in clause 5.1.

Listing Rules means the official listing rules of ASX as amended from time to time.

Loan Agents means (i) Wilmington Trust, National Association as administrative agent under the Term Loan A, (ii) Wilmington Trust, National Association as administrative agent under the Term Loan B, (iii) Wilmington Trust, National Association as administrative agent under the Backstop ABL and, in each case, any successor administrative agent thereunder.

Longstop Date means 31 October 2021.

Majority AHG Members means any three (3) of Ascribe, Corre, FPA, and Nut Tree.

Material BLY Subsidiary means any Subsidiary or Subsidiaries of BLY which individually or collectively comprises at least 15% of the EBITDA of the BLY Group.

Material Adverse Event means any event occurring after the Commencement Date that results in a material adverse change in the prospects, business, condition or results of operations of BLY and its Subsidiaries, taken as a whole, other than:

- (a) as a result of the events contemplated by this agreement;
- (b) in any of the following circumstances:
 - (i) a change in applicable laws or the interpretation or enforcement thereof;
 - (ii) a change in prices, markets or general economic conditions; or
 - (iii) any act of war or terrorism or natural disaster,

except if such events, changes, effects, occurrences, developments, circumstances or changes of fact have a materially disproportionate adverse impact on BLY and its Subsidiaries, taken as a whole, as compared to other participants engaged in the industries and geographies in which they operate.

- (c) any change that does not result in a measurable decrease in the fair market value of the assets of the BLY Group entities by more than US\$40,000,000.

Milestone Date means the date prescribed for each Milestone to occur, as set forth in Schedule 3 attached hereto.

Milestones means the events set forth in Schedule 3 attached hereto.

New BLY Securities means the new BLY securities to be issued as contemplated by the Restructuring Term Sheet, defined therein as the New Common Equity, including securities to be issued under the Creditor Share Purchase Option (as defined in the Restructuring Term Sheet), and the New Warrants.

New BLY Parent means a newly incorporated company to be established in an Agreed Jurisdiction for the purposes of the Redomiciliation Scheme.

New Common Equity means BLY Shares to be issued by BLY under the Secured Creditors' Scheme and the Unsecured Creditors' Scheme on the terms further set out in the Restructuring Term Sheet.

New Warrants means warrants to be issued by BLY to the holders of Unsecured Notes under the Unsecured Creditors' Scheme on the terms further set out in the Restructuring Term Sheet.

Notes Trustees means (i) U.S. Bank National Association as trustee under the Secured Notes Indenture and (ii) Delaware Trust Company as trustee under the Unsecured Notes Indenture, and, in each case, any successor trustee thereunder.

Notice of Meeting means the notice of meeting and accompanying explanatory statement to be issued by BLY in respect of the General Meeting.

Permitted Security Interest means:

- (a) a PPS Lease (as defined in the PPSA);
- (b) a Security Interest not securing Indebtedness, over an asset with a fair market value of less than US\$50,000, that is incurred in the ordinary course of business and not in contemplation of the Transactions, and that is not in favour of any party to this agreement or any other Creditors, or any of their respective Related Entities; or
- (c) Security Interests granted by any BLY Group member pursuant to the Transaction, as expressly set forth in this agreement and including any security interests granted in connection with the Restructuring Term Sheet, the Interim Financing, the 2021 Interest Payment Amendments, or the Exit Financing.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proscribed Event means the occurrence of, or BLY or its Subsidiaries directly or indirectly taking any action (except those actions in Schedule 6) that is reasonably likely to result in, any of the following:

- (a) BLY or any of its Subsidiaries changing their capital structures or altering any rights attaching to any such share capital, other than in respect of the vesting of share retention rights or share performance rights;
- (b) BLY or any of its Subsidiaries converting all or any of their shares into a larger or smaller number of shares;
- (c) BLY or any of its Subsidiaries resolving to reduce their share capital in any way or reclassifying, splitting or redeeming or repurchasing directly or indirectly any of their shares;
- (d) BLY or any of its Subsidiaries entering into a buy-back agreement, or resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (e) BLY or any of its Subsidiaries declaring, paying or distributing any dividend, bonus or other share of their profits, or assets or returning or agreeing to return any capital to their members;
- (f) BLY or any of its Subsidiaries issuing shares, or granting an option over their shares, or agreeing to make such an issue or grant such an option;
- (g) BLY or any of its Subsidiaries issuing or agreeing to issue securities or other instruments convertible into shares or debt securities;
- (h) BLY or any of its Subsidiaries Disposing, or agreeing to Dispose, of (i) any asset other than in the ordinary course of their business or as otherwise approved by the Initial Supporting Creditors; or (ii) any material line of business, other than as otherwise approved by the Initial Supporting Creditors;
- (i) BLY or any of its Subsidiaries creating or agreeing to create any Security Interest over their assets, business or property other than a Permitted Security Interest;
- (j) BLY or any of its Subsidiaries entering into any agreement or arrangement or amending any current agreement or arrangement (except in the ordinary course of business consistent with past practice) with any third party that:
 - (i) involves the payment by it of more than \$100,000 individually or \$250,000 in the aggregate; or
 - (ii) involves the performance of an obligation by the party to a third party which extends beyond 90 days,

including:

- (iii) making loans, granting any credit, giving any guarantees or indemnity to or for the benefit of any person or otherwise voluntarily assuming any liability, whether actual or contingent, in respect of any obligation of any other person; or
- (iv) Disposing or purchasing any assets or granting consents for the lease, sale, pledge, mortgage, encumbrance or transfer of any material part of the assets of BLY or any of its Subsidiaries;

- (k) BLY or any of its Subsidiaries commencing cases under chapter 11 of the U.S. Bankruptcy Code;
- (l) BLY or any of its Subsidiaries entering into any derivative transactions;
- (m) BLY or any of its Subsidiaries incurring or otherwise becoming liable for any Indebtedness in excess of \$1,000,000 (other than the Interim Financing, the Term Loan A, the Term Loan B, the Secured Notes Indenture, the Unsecured Notes Indenture, the Existing ABL, and the Backstop ABL);
- (n) BLY or any of its Subsidiaries resolving that they be wound up;
- (o) a liquidator, provisional liquidator or administrator (other than scheme administrators) of BLY or any of its Subsidiaries being appointed;
- (p) the making of an order by a court for the winding up of BLY or any of its Subsidiaries;
- (q) BLY or any of its Subsidiaries executing a deed of company arrangement;
- (r) a receiver, or a receiver and manager, in relation to any of the property of BLY or any of its Subsidiaries being appointed;
- (s) BLY or any of its Subsidiaries making any change or amendment to its constitution;
- (t) BLY or any of its Subsidiaries making any change to their accounting practices or policies, other than to comply with generally accepted Australian Accounting Standards or AIFRS;
- (u) BLY or any of its Subsidiaries establishing, adopting or modifying any collective bargaining, union or other labour agreement (other than in the ordinary course of business consistent with past practice);
- (v) BLY or any of its Subsidiaries assigning any of their rights or transferring any of their rights or obligations under this agreement;
- (w) BLY or any of its Subsidiaries taking or consenting to the taking of or omitting to take any action which action or omission would breach or be inconsistent in any respect with the Transaction, the Milestones, or this agreement;
- (x) BLY or any of its Subsidiaries taking or consenting to the taking of any material corporate action including:
 - (i) increasing the compensation of members of the BLY Board or of the directors or senior management of BLY or any of its Subsidiaries or any committee thereof; provided that, for the avoidance of doubt, nothing in this paragraph (i) shall restrict their ability to reduce the compensation of such members, senior management or committees;
 - (ii) setting or materially amending the compensation, terms and conditions of employment, any employment agreement, any consulting agreement, any incentive plan of, or voting in favour of any resolution relating to the board of directors or any committee (or any member of the board of directors or such committee) of BLY or any of its Subsidiaries, in each case other than in the ordinary course of trade or as required by law or to execute or enforce an arrangement which existed prior to the Commencement Date, provided that, for the avoidance of doubt, nothing in this paragraph (ii) shall restrict any of the parties' ability to reduce the compensation of such members or committees; and
- (y) BLY or any of its Subsidiaries allowing any cash to be paid to any of their respective members' direct or indirect shareholders or any of their Related Entities, excluding:
 - (i) members other than pursuant to pre-existing contractual obligations on arm's length and ordinary course trade terms which do not result in a transfer of value to such shareholders or their Related Entities; and
 - (ii) incurrence and repayment of any intercompany debts, intercompany write offs and intercompany transfers and assignments, in each case, in the ordinary course of business,

and in each case listed in (a) to (y) above, other than anything that is:

- (i) expressly permitted or contemplated by this agreement;
- (ii) disclosed in the BLY Disclosures, including the 2020 Annual Report;

- (iii) with the consent of the Initial Supporting Creditors; or
- (iv) reasonably required to be done to give effect to the Transaction.

Redomiciliation has the meaning given in clause 6.3.

Redomiciliation Approval Orders means an order from the Australian Court approving the Redomiciliation Scheme in accordance with section 411(4) of the Corporations Act.

Redomiciliation Documentation has the meaning given in clause 6.3(b).

Redomiciliation Expert Report means the report to be issued by the Redomiciliation Independent Expert in connection with the Redomiciliation Scheme Resolution.

Redomiciliation Explanatory Booklet means the explanatory statement to be prepared by BLY in respect of the Redomiciliation Scheme in accordance with the Corporations Act and the terms of this agreement and to be despatched to BLY Shareholders.

Redomiciliation Independent Expert means KPMG, the independent expert in respect of the Redomiciliation Scheme Resolution as appointed by BLY.

Redomiciliation Scheme means a members' scheme of arrangement in accordance with Part 5.1 of the Corporations Act between BLY and BLY Shareholders pursuant to which BLY will become a wholly owned subsidiary of the New BLY Parent by the transfer of all BLY Shares to the New BLY Parent and BLY Shareholders entitled to participate in the scheme will hold depository interests, representing beneficial interests in securities issued by New BLY Parent, to be listed and able to be traded on ASX.

Redomiciliation Scheme Document means the document setting out the terms and conditions of the Redomiciliation Scheme, to be approved by the requisite majority of members specified in section 411(4) of the Corporations Act and to be approved by the Australian Court

Redomiciliation Scheme Resolution means a resolution to be put to BLY Shareholders to approve the Redomiciliation Scheme.

Regulator means ASX, ASIC or any anti-trust, competition or merger control authority, foreign investment, tax authority or any other regulatory body reasonably determined by the Initial Supporting Creditors, or BLY to have jurisdiction in respect of any material aspect of the Transaction.

Regulatory Approval means an approval or consent required by a Regulator or Government Agency.

Related Entity has the meaning given in section 9 of the Corporations Act.

Relevant Finance Document means in respect of the Supporting Creditors, the documents listed in Schedule 5 as amended, varied, supplemented, or amended and restated from time to time and any other agreements or documents entered into by the applicable obligors party thereunder from time to time, in each case in accordance with the terms of such documents.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Reorganised Company means BLY as reorganised following the implementation of the Transaction.

Reorganised Group means the Reorganised Company and its Subsidiaries as reorganised following the implementation of the Transaction.

Representative means a director, manager, principal, officer, employee, agent, auditor, adviser, partner, attorney, investment banker, consultant, joint venturer, contractor or sub-contractor, or of any related body corporate (as defined under the Corporations Act).

Restructuring Document means this agreement, including the Restructuring Term Sheet, any amendments to the Relevant Finance Document in connection with the Transaction, including the 2021 Interest Payment Amendments, any documents relating to the Interim Financing, and all documents, agreements and instruments necessary or desirable to implement or consummate the Transaction in accordance with this agreement and the Milestones, including the Key Restructuring Documents and the Court Documents.

Restructuring Implementation Deed means the implementation deed effecting all or part of the Transactions.

Restructuring Term Sheet means the restructuring term sheet attached hereto as Schedule 2.

Scheme Approval Orders means an order from the Australian Court approving the Schemes in accordance with section 411(4) of the Corporations Act.

Scheme Documents means the documents setting out the terms and conditions of each of the Schemes, to be approved by the requisite majority of creditors specified in section 411(4) of the Corporations Act and to be approved by the Australian Court.

Schemes means the Secured Creditors Scheme and the Unsecured Creditors Scheme.

Second Court Date means in respect of each of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme, the first date on which an application made to the Australian Court for an order pursuant to section 411(4)(b) of the Corporations Act in respect of each such scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Section 611 Resolutions has the meaning given in condition clause 5.1.

Secured Creditors' Scheme has the meaning given in clause 6.1(a)(i).

Secured Notes means the secured notes issued under the Secured Notes Indenture.

Secured Notes Indenture means the certain Indenture, dated as of September 27, 2013 (as supplemented by the first supplemental indenture dated as of August 31, 2017, the second supplemental indenture dated as of September 18, 2017, the third supplemental indenture dated as of December 31, 2018, the fourth supplemental indenture dated as of July 17, 2019, the fifth supplemental indenture dated as of June 24, 2020 and as further amended, varied or amended and restated from time to time) by and among the BLY Issuer, as issuer, the guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, providing for the issuance of 12.00% / 10.00% senior secured PIK toggle notes due 2022.

Secured Notes Claims means the obligations arising under the Secured Notes Indenture.

Securities has the meaning given in the Corporations Act.

Securities Act means the United States Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect of hereafter amended, and the rules and regulations promulgated thereunder.

Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or liability, including a mortgage, bill of sale, pledge, deposit, encumbrance, lien (statutory or otherwise), or hypothecation, preference, priority, charge or security interest (including as defined in sections 12(1) and 12(2) of the PPSA (Australia)), of any kind, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement or lease in the nature thereof, any deposit of money by way of security or any right of or arrangement with any creditors to have a claim satisfied in priority to other creditors with or from the proceeds of any asset) and any agreement to create any of the foregoing or allow any of the foregoing to exist.

Standard Tax Conditions means the conditions set out in Part D of the Foreign Investment Review Board / Australian Taxation Office guidance note document dated 18 December 2020.

Subsidiary has the meaning given in the Corporations Act. For the avoidance of doubt, as applied to BLY, Subsidiary shall include the BLY Issuer, Boart Longyear Australia Pty Limited, Boart Longyear Investments Pty Limited and Votrait No. 1609 Pty Limited, Boart Longyear Canada, Boart Longyear Manufacturing Canada Ltd. and Longyear Canada, ULC, Boart Longyear Chile Limitada, Boart Longyear S.A.C., Boart Longyear Suisse Sarl, Boart Longyear Company, Boart Longyear Manufacturing and Distribution Inc., BLY IP Inc., Term Loan Issuer, Holdings and Longyear TM, Inc.

Superior Proposal means a bona fide written Competing Proposal of the kind referred to in any of paragraphs (b) or (c) of the definition of Competing Proposal which the BLY Board, acting in good faith, and after receiving written legal advice from BLY's Counsel and written financial advice from its financial adviser, determines:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent, the identity, reputation and financial standing of the proponent, the current contractual rights of the Supporting Creditors under the Relevant Finance Documents, and any requirements set forth by the Supporting Creditors in their response to a Competing Proposal;

- (b) would, if completed substantially in accordance with its terms, be more favourable to BLY Shareholders (as a whole) and the creditors of BLY than the Transaction (having regard to the fact that trade creditors will be paid in full under the Transaction), taking into account all terms and conditions of the Competing Proposal; and
- (c) would reasonably be expected to require it by virtue of its directors' fiduciary or statutory duties under applicable law to respond to such Competing Proposal or to change, withdraw or modify its recommendation.

Supporting Creditors means:

- (a) the Initial Supporting Creditors;
- (b) Ares in its capacity as a beneficial holder, or investment advisers or managers for the account of beneficial holders, of obligations arising under the Secured Notes Indenture;
- (c) HPS in its capacity as a beneficial holder, or investment advisers or managers for the account of beneficial holders, of obligations arising under the Secured Notes Indenture and the Unsecured Notes Indenture; and
- (d) any creditors that execute signature pages hereto or a Joinder Agreement.

Supporting Creditor Warranty means the warranties set out in Part C of Schedule 1.

Supporting Creditors Information means all information in respect of the Supporting Creditors required by applicable law, the Listing Rules and ASIC Regulatory Guides (as applicable) to be included in the Notice of Meeting and each of the Explanatory Booklets.

Supporting Debt means the Backstop ABL Claims, the Term Loan A Claims, the Term Loan B Claims, the Secured Notes Claims, and the Unsecured Notes Claims.

Suspended Event has the meaning given in clause 10.1(i).

Terminating Creditor has the meaning given in clause 13.3.

Term Loan A means the Term Loan A Securities Agreement dated as of December 31, 2018 (as amended by the First Amendment to Term Loan A Securities Agreement dated as of July 17, 2019, the Second Amendment to Term Loan A Securities Agreement dated as of June 24, 2020 and as further amended, varied or amended and restated from time to time) by and among Term Loan Issuer, BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022.

Term Loan A Claims means the obligations arising under the Term Loan A.

Term Loan B means the Term Loan B Securities Agreement dated as of December 31, 2018 (as amended by the First Amendment to Term Loan B Securities Agreement dated as of July 17, 2019, the Second Amendment to Term Loan B Securities Agreement dated as of June 24, 2020 and as further amended, varied or amended and restated from time to time) by and among Term Loan Issuer, BLY Issuer, the other guarantors party thereto, and Wilmington Trust, National Association, as administrative agent, providing for the issuance of term loan securities due 2022.

Term Loan B Claims means the obligations arising under the Term Loan B.

Transaction means the restructuring of BLY and certain of its Subsidiaries as summarised in the Restructuring Term Sheet.

Transaction Resolutions means:

- (a) the Listing Rule 7.1 Resolutions;
- (b) the Listing Rule 10.11 Resolutions; and
- (c) the Section 611 Resolutions.

Treasurer has the same meaning as it has for the purposes of the FATA.

Unsecured Creditors' Scheme has the meaning given in clause 6.1(a)(ii).

Unsecured Notes means the unsecured notes issued under the Unsecured Notes Indenture.

Unsecured Notes Claims means obligations arising under the Unsecured Notes Indenture.

Unsecured Notes Indenture means the certain Indenture, dated as of March 28, 2011 (as supplemented by the first supplemental indenture dated as of June 14, 2013, the second supplemental indenture dated as of September 27, 2013, the third supplemental indenture dated

as of April 2, 2017, the fourth supplemental indenture dated as of August 31, 2017, the fifth supplemental indenture dated as of September 18, 2017, the sixth supplemental indenture dated as of December 31, 2018, the seventh supplemental indenture dated as of July 17, 2019, the eighth supplemental indenture dated as of June 15, 2020 and as further amended, varied, or amended and restated from time to time) by and among BLY Issuer, as issuer, the guarantors party thereto, and Delaware Trust Company (as successor to U.S. Bank National Association), as trustee and collateral agent, providing for the issuance of 1.50% unsecured subordinated PIK notes due 2022.

U.S. Bankruptcy Code means Title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended).

U.S. Bankruptcy Court means the United States Bankruptcy Court for the Southern District of New York.

Warrants means the New Warrants to be issued by BLY in accordance with the Restructuring Term Sheet.

2020 Annual Report means the annual report for BLY for the financial year ended 31 December 2020.

2021 Interest Payment Amendments means any and all amendments to all Relevant Finance Documents necessary to extend the period for which BLY may make an election to pay PIK Interest on the Secured Notes to include the interest period ending June 30, 2021, including but not limited to any and all amendments under the Relevant Finance Documents to make such PIK Interest a permitted secured obligation under the Relevant Finance Documents.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (f) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (h) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (i) the meaning of general words is not limited by specific examples introduced by **including**, **for example** or similar expressions;
- (j) any agreement, representation, warranty, indemnity or undertaking made or given by the Supporting Creditors binds and is given by them severally and not jointly nor jointly and severally;
- (k) references to cash or credit amounts in this agreement and the Restructuring Term Sheet are stated in U.S. dollars unless otherwise indicated;
- (l) any agreement, representation, warranty or indemnity in favour of the Supporting Creditors is for the benefit of them severally and not jointly nor jointly and severally;
- (m) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and

- (n) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation, and shall not, for any purpose, be deemed a part of this agreement.

2. Agreement to implement the Transaction

2.1 Implementation and Milestones

- (a) BLY proposes to implement the Transaction on and subject to the terms and conditions of this agreement. The Supporting Creditors have agreed to implement the Transaction including but not limited to supporting the BLY Creditors' Schemes and the Chapter 15 Cases on and subject to the terms of this agreement.
- (b) After the Commencement Date, each of BLY, CBP, and each AHG Member will use reasonable endeavours to agree, through their respective counsel (acknowledging that the AHG is represented by AHG Counsel), in good faith the Restructuring Documents to give effect to the undertakings in this agreement in respect of the Transaction and in accordance with the Milestones and the terms and conditions of this agreement and the Restructuring Term Sheet and, in respect of all other material terms, in form and substance reasonably satisfactory to BLY, on the one hand, and each of CBP and the AHG, on the other hand.
- (c) BLY, CBP, and each AHG Member will use reasonable endeavours to agree in good faith to any changes to the timetable for the Transaction, including the dates specified for each of the Milestones (taking into account any updates or corrections made up to the Commencement Date), or the Milestones which may be necessary or desirable including in relation to any party's tax affairs or the tax affairs of the Reorganised Company and the Reorganised Group.
- (d) Milestones may be waived, modified or amended (including any extension) in writing by all of BLY, CBP and the AHG which, for this purpose, includes via email from counsel to each of BLY, CBP, and the AHG to counsel to each of BLY, CBP and the AHG, as applicable.
- (e) BLY, CBP, and each AHG Member will consult (through their respective counsel) reasonably to structure the Transaction, and to agree to such changes to the Transaction in respect of tax considerations determined by the BLY Group, CBP and the AHG.
- (f) Subject to applicable law, without limitation to any other provision of this agreement, BLY must not, and must ensure that no other BLY Group Member does, file or otherwise provide to any person (other than a party to this agreement) any document (including, for the avoidance of doubt, each Restructuring Document) that either (i) materially affects the interest of CBP or any member of the AHG or (ii) expressly describes or identifies CBP or any member of the AHG, without counsel to CBP or the AHG Counsel, as applicable, confirming in writing (which for this purpose includes via email) to BLY that the relevant document is in form and substance satisfactory to it and consenting in writing (which for this purpose includes via email) to BLY that the applicable BLY Group Member is allowed to take the requested action with respect to the relevant document.

2.2 Savings

Notwithstanding anything to the contrary, nothing in this agreement shall give a party a power (either directly or indirectly) to:

- (a) exercise, or control of, a right to vote attached to BLY Shares of another party; or
- (b) dispose of, or control the exercise of a power to dispose of BLY Shares of another party.

3. Support for the Transaction

Until the End Date:

- (a) each party shall promptly take all actions reasonably required to be taken in accordance with this agreement or which are requested by CBP, the AHG or BLY to be taken in connection with the Transaction, but solely to the extent such action is not inconsistent with the terms of this agreement or the Restructuring Term Sheet, including the following:
- (i) supporting, cooperating, facilitating, implementing, consummating or otherwise giving effect to the Transaction, including, as to BLY, by providing CBP, the AHG or their respective advisers, representatives or agents with reasonable access (without any material disruption to the conduct of BLY or its Subsidiaries' business, taken as a whole) to:
 - (A) the books and records of BLY or any of its Subsidiaries; and
 - (B) their respective officers and employees and with their respective independent certified public accountants and their advisers for the purposes of evaluating BLY's assets, liabilities, operations, business finances, strategies, prospects and affairs;

provided that:

 - (C) the provision of any information to the relevant Supporting Creditors pursuant to this agreement shall be subject to the terms of clause 16; and
 - (D) the foregoing shall not require BLY:
 - (I) to permit any inspection, or to disclose any information, that in the reasonable judgment of BLY would reasonably be expected to cause BLY or any of its Subsidiaries to violate any of their respective obligations with respect to confidentiality to a third party if BLY, or such Subsidiary (as applicable), shall have used good faith reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure;
 - (II) to disclose any legally privileged information of BLY or any of its Subsidiaries; or
 - (III) to violate any applicable law or order,(provided in all cases that BLY shall work in good faith with CBP and the AHG and use reasonable endeavours to allow for such access or disclosure in a manner that does not result in the events set out in this clause 3(a)(i)(D));
 - (ii) executing any document and giving any notice, order, instruction or direction required in accordance with this agreement or which is necessary to support, facilitate, implement, consummate or otherwise give effect to the Transaction;
 - (iii) preparing, executing and delivering the Restructuring Documents in a form consistent with the terms and conditions of this agreement, to which they are required to be a party;
 - (iv) preparing and filing any legal process or proceedings required to implement the Transaction as contemplated by this agreement, the Restructuring Term Sheet, or any Restructuring Document including in relation to the BLY Creditors' Schemes and the Redomiciliation Scheme, related applications to relevant Courts, Regulators or Government Agencies or any other analogous proceedings and taking all necessary steps and actions relating thereto;
 - (v) supporting petitions or applications to any Court (and, where applicable, instructing BLY's Counsel to support such petitions or applications on its behalf, except, in the case of CBP, where CBP has instructed its own Counsel to appear on its behalf, and in the case of the AHG, where the AHG has instructed Counsel to appear on AHG's behalf) to facilitate, implement, consummate or otherwise give effect to the Transaction including in relation to the BLY Creditors' Schemes, related applications to relevant Courts, Regulators or Government Agencies or any other analogous proceedings and take any reasonable steps or actions relating thereto; and

- (vi) providing any information or documents BLY reasonably requires for the purposes of BLY preparing and issuing:
 - (A) the EGM Explanatory Booklet and associated materials; and
 - (B) the Redomiciliation Explanatory Booklet and associated materials.
- (b) BLY and its Subsidiaries, as applicable, shall provide other instructions necessary to implement the Transaction to BLY's Counsel;
- (c) BLY and BLY's Counsel, as applicable, shall promptly provide the advisers to CBP and the advisers to the AHG with reasonable updates in relation to any discussions and copies of all material communications arising from or related to the provision of Interim Financing or Exit Financing (the **Information**), including without limitation any offer for financing provided by either an Initial Supporting Creditor or one or more third parties, and BLY or BLY's Counsel, as applicable, shall provide a copy of any written offer for Interim Financing or Exit Financing to the advisers to CBP and the advisers to the AHG within 24 hours of receipt thereof, provided that BLY or BLY's Counsel, as applicable, may designate by clearly marking in writing certain Information (including any written offer for Interim Financing and/ or Exit Financing) as "Permitted Recipients Eyes Only" and that such Information should not be shared with the applicable AHG Member or CBP (which shall be explicitly identified in writing by BLY or BLY's Counsel, as applicable_ that has also made an offer or indicated that it intends to make an offer to participate in the Interim Financing and/ or Exit Financing.
- (d) the parties shall not:
 - (i) take, seek, solicit, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action, compromises, arrangements, applications or proceedings which would, or would reasonably be expected to, breach or be inconsistent with this agreement taken as a whole;
 - (ii) withdraw, amend or revoke (or cause to be withdrawn, amended, or revoked) its consent or vote with respect to the BLY Creditors' Schemes;
 - (iii) vote any debt interest for, commit to, solicit or otherwise support (directly or indirectly) any alternative restructuring or refinancing that is inconsistent with Restructuring Term Sheet and this agreement (subject to, in the case of any BLY Group Member and only in the circumstances where the vote for or commitment to any alternative restructuring or refinancing does not relate to a Competing Proposal (in which case clause 4.1 shall apply in relation to such Competing Proposal), and to the fiduciary and statutory duties under applicable law of the applicable board of directors);
 - (iv) object to, oppose, or otherwise not consent to, any application to the Australian Court or the U.S. Bankruptcy Court to the extent such application is consistent with the terms and conditions of this agreement and the Restructuring Term Sheet; or
 - (v) delay, impede or prevent the implementation or consummation of the Transaction, including opposing the making of any temporary restraining order, or other similar injunctive relief, necessary or desirable to implement or consummate, the Transaction,

provided in each case that the Supporting Creditors and BLY shall retain their respective rights and discretions under clause 13.

Notwithstanding the foregoing, nothing in this clause 3 shall be construed to prohibit or limit any party from (a) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this agreement or any other documentation contemplated by this agreement, or exercising its rights or remedies specifically reserved herein, (b) appearing as a party-in-interest or otherwise participating in any proceedings before the Australian Court or the U.S. Bankruptcy Court, so long as such appearance and the positions advocated in connection therewith are consistent with this agreement, are not prohibited by this agreement, and are not for the purpose of hindering, delaying or preventing the consummation of the Transaction, or (c) subject to clause 9 and the other terms of this agreement, sell its claims against or interests in BLY or its Subsidiaries.

4. Exclusivity

4.1 BLY

- (a) During the Exclusivity Period, the BLY Group must ensure that neither it, nor any of its Related Entities Controlled by BLY nor any of their respective Representatives, directly or indirectly, solicits, invites, encourages or initiates any enquiries, proposals, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal or potential Competing Proposal.
- (b) If any member of the BLY Group or any of their Representatives is approached in relation to a potential Competing Proposal or provides or proposes to provide any material non-public information concerning the BLY Group or its businesses or operations to a third party in connection with, or for the purposes of enabling that party to make, a Competing Proposal, BLY shall, to the extent it is approached in relation to a potential Competing Proposal:
- (i) provide the Supporting Creditors with details of the Competing Proposal including the name of the party proposing the Competing Proposal, the nature of the Competing Proposal;
 - (ii) provide the Supporting Creditors the proposed terms of the Competing Proposal, except to the extent the BLY Board determines, after receiving specific legal advice from BLY's Counsel, that providing such information would reasonably be expected to constitute a breach of: (a) the BLY Board's fiduciary or statutory duties under applicable law or, (b) its contractual obligations (provided that, in the case of (b), (i) BLY shall not enter into any contractual obligations that would restrict providing information pursuant to this clause 4.1(b)(ii), and (ii) BLY represents and warrants that no such contractual obligations exist as of the Commencement Date); and
 - (iii) to the extent that the Initial Supporting Creditors have not previously been provided with the information, provide notice that such information has been provided to a third party and, if requested, provide any Supporting Creditor that so requests with a complete copy of that information promptly following such request
- (c) If BLY determines, after compliance with the other terms of this agreement, that a Competing Proposal is a Superior Proposal, BLY shall provide the Supporting Creditors with the details of such Competing Proposal that is a Superior Proposal, and the Supporting Creditors will have the right, but not the obligation, at any time until the expiration of five Business Days following receipt of such information, to make one or more offers to BLY in writing to amend the terms of this agreement or propose any other transaction (Counter Proposal). If the Supporting Creditors make a Counter Proposal, then the BLY Board must review the Counter Proposal in good faith to determine whether it is more favourable to BLY than the Superior Proposal. If the BLY Board determines that the Counter Proposal is more favourable to BLY and the BLY Shareholders and the unsecured creditors of BLY than the Superior Proposal, and is capable of being implemented in a reasonable time then:
- (i) if the Supporting Creditors contemplate an amendment to this agreement, the parties will enter into a deed amending this agreement reflecting the Counter Proposal;
 - (ii) if the Counter Proposal contemplates any other transaction, BLY will make an announcement as soon as reasonably practicable recommending the Counter Proposal, in the absence of a Superior Proposal and, if required, subject to the conclusions of an independent expert, and the parties will pursue implementation of the Counter Proposal in good faith with their best endeavours;
 - (iii) BLY will effect a change of recommendation of the BLY Board in relation to the Transaction and will not authorize or enter into any letter of intent, memorandum of understanding, recapitalization agreement or other agreement, arrangement or understanding relating to (or consummate) such former Superior Proposal; and
 - (iv) for the avoidance of doubt, clause 4.1(c)(ii) will not preclude the BLY Board from receiving and considering any further Competing Proposal (including from the

same person which provided the former Superior Proposal) in accordance with this clause 4.14.1, it being understood that any such further Competing Proposal (including from the same person which provided the former Superior Proposal) will require that the BLY Board to comply with clause 4.1.

- (d) Any modification of any Superior Proposal will constitute a new Superior Proposal and require the BLY IBC to again comply with clause 4.1.
- (e) BLY confirms that, as at the Commencement Date, there are no existing discussions between BLY and another person relating to any Competing Proposal or any other transaction that may reasonably be expected to become a Superior Proposal or reduce the likelihood of the success of the Transaction.

5. Conditions precedent to the Transaction

5.1 Conditions

The Transaction will not be consummated, until each of the following Conditions are satisfied, save to the extent that any such Condition in this clause 5.1 which is inter-conditional with any other Condition or waived, modified or amended in accordance with clause 5.2.

	Conditions	Obligation to satisfy	Party entitled to waive condition
1	<p>CBP FIRB Approval: the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to CBP (or any of its Related Bodies Corporate) directly or indirectly acquiring New BLY Securities pursuant to the Transaction and such approval is not subject to any conditions other than:</p> <ul style="list-style-type: none"> (a) the Standard Tax Conditions; or (b) any other condition which is acceptable to CBP acting reasonably. 	CBP	None
2	<p>AHG FIRB Approval: the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to any AHG Member (or any of its Related Bodies Corporate) directly or indirectly acquiring New BLY Securities pursuant to the Transaction and such approval is not subject to any conditions other than:</p> <ul style="list-style-type: none"> (a) the Standard Tax Conditions; or (b) any other condition which is acceptable to that AHG Member acting reasonably. 	AHG	None
3	<p>New BLY Parent FIRB Approval: the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, in terms of Australia's foreign investment policy, the Australian government does not object to the New BLY Parent directly or indirectly acquiring New BLY Securities pursuant to the Redomiciliation and such approval is not subject to any conditions other than:</p> <ul style="list-style-type: none"> (a) the Standard Tax Conditions; or (b) any other condition which is acceptable to BLY and the Initial Supporting Creditors each acting reasonably. 	BLY	None
4	<p>BLY Shareholder Approval - Listing Rule 7.1: the BLY Shareholders approve resolutions at the General Meeting for the purposes of ASX Listing Rule 7.1 to the extent required for BLY to give effect to the Transactions (Listing Rule 7.1 Resolutions).</p>	BLY	None

5	BLY Shareholder Approval – Listing Rule 10.11: the BLY Shareholders approve resolutions at the General Meeting for the purpose of ASX Listing Rule 10.11 to the extent required for BLY to give effect to the Transactions (Listing Rule 10.11 Resolutions).	BLY	None
6	BLY Shareholder Approval - Item 7 of Section 611: the BLY Shareholders approve resolutions at the General Meeting for the purposes of item 7 of section 611 of the Corporations Act to the extent required for BLY to give effect to the Transactions, to permit any transfers of New BLY Securities between the AHG Members from time to time and as BLY may additionally require (Section 611 Resolutions).	BLY	None
7	BLY Warranties: the BLY Warranties being true and correct in all material respects as at 5:00pm (EST) on the Business Day prior to each of the First Court Date and the Second Court Date.	BLY	Initial Supporting Creditors
8	Supporting Creditors Warranties: the Supporting Creditors Warranties being true and correct in all material respects as at 5:00pm (EST) on the Business Day prior to each of the First Court Date and the Second Court Date.	Supporting Creditors	BLY
9	Creditors' approval: both the Secured Creditors' Scheme and the Unsecured Creditors' Scheme are approved by the respective creditors at each BLY Creditors' Scheme Meeting by the majorities required under section 411(4)(a)(i) of the Corporations Act.	Supporting Creditors	None
10	Court approval: both the Secured Creditors' Scheme and the Unsecured Creditors' Scheme are approved by the Australian Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably).	BLY	None
11	EGM Independent Expert: the EGM Independent Expert not concluding in the EGM Independent Expert's Report that the Transaction Resolutions are "not fair" and "not reasonable" to the non-associated BLY Shareholders and the EGM Independent Expert maintaining that opinion (including by not withdrawing, qualifying or changing that opinion) at all times up to the Second Court Date.	BLY	BLY
12	Regulatory Approvals - ASIC and ASX: ASIC and ASX issue or provide any other consents or approvals, and do all other acts, necessary to implement the Transaction and such consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked.	BLY	None
13	Regulatory Approvals - other: any other approvals or consents that are required by law, or by any Government Agency, to implement the Transaction (other than approval by the Australian Court of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme) are obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.	BLY	None
14	Regulatory intervention: no Court or Regulator has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Transaction and no such order, decree, ruling other action or refusal is in effect as at 8:00am (EST) on the Second Court Date.	BLY	None
15	New BLY Securities: The New BLY Securities to be issued to holders of: (a) Term Loan A Claims and Term Loan B Claims pursuant to the Secured Creditors' Scheme; and (b) Unsecured Note Claims pursuant to the Unsecured Creditors' Scheme,	BLY	Initial Supporting Creditors unanimously

	will be exempt from registration under the Securities Act pursuant to Section 3(a)(10) thereof and not subject to any on-sale restriction under the securities law of any place.		
16	Warrants: The Warrants to be issued to holders of Unsecured Note Claims pursuant to the Unsecured Creditors' Scheme will be exempt from registration under the Securities Act pursuant to Section 3(a)(10) thereof and not subject to any on-sale restriction under the securities law of any place.	BLY	Initial Supporting Creditors unanimously
17	Exit Financing: Any and all conditions to closing and funding under the Exit Financing shall have been satisfied or waived.	BLY	None

5.2 Benefit and waiver of conditions precedent

- (a) A Condition may only be waived, modified or amended in writing by the party or parties specified in the second or fourth column of the table in clause 5.1 after giving notice to the other parties. For this purpose, notice in writing includes via email from counsel to each of BLY, CBP, and the AHG, as applicable, to counsel to each of BLY, CBP and the AHG, as applicable.
- (b) A party or parties entitled to waive, amend or modify or to agree to waive, amend or modify a Condition under this clause 5.2 may do so in its absolute discretion. A party or parties that waives, amends or modifies or agrees to waive, amend or modify a Condition is not prevented from bringing a claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.

5.3 Reasonable endeavours

- (a) Each party must use their respective reasonable endeavours to procure that each of the Conditions (as applicable) is satisfied as soon as reasonably practicable after the date of this agreement or continues to be satisfied at all times until the last time they are to be satisfied or waived in accordance with this agreement (as the case may require).
- (b) Without limiting clauses 5.4 and 5.5 below, each party shall use reasonable efforts to:
- (i) consult and co-operate fully with the other parties in relation to the satisfaction of the Conditions, including in relation to all material communications with any Government Agency in relation to the Regulatory Approvals;
 - (ii) promptly apply for all relevant Regulatory Approvals for which it is responsible and provide the other parties with a copy of all applications for Regulatory Approvals and all material communications with any Government Agency in relation to Regulatory Approvals (other than in respect of an application for a Regulatory Approval made by any party or material communication which contains confidential information of that party, including, for the avoidance of doubt, any application by a Supporting Creditor for FIRB Approval);
 - (iii) take all the steps for which it is responsible as part of the Regulatory Approvals process;
 - (iv) respond to all reasonable requests for information in respect of the applications for Regulatory Approvals at the earliest practicable time;
 - (v) provide the other with all information and assistance reasonably requested in connection with the applications for Regulatory Approvals (other than in respect of an application for a Regulatory Approval made by any party which contains confidential information of that party, including, for the avoidance of doubt, any application by a Supporting Creditor for FIRB Approval); and
 - (vi) so far as it is able, allow the other parties and its Representative the opportunity to be present and make submissions at any meetings with any regulatory body relating to the Regulatory Approvals in respect of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme,
- but in each case only to the extent within their respective power and control.

- (c) BLY will use its reasonable endeavours to ensure that any offer, direct or indirect, in the United States or to any U.S. person (as defined in Rule 902 under the Securities Act), is exempt from the registration provisions of the Securities Act.

5.4 Notifications

Each party must:

- (a) keep the other parties promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other parties in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other parties in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 5.3). For the avoidance of doubt, email from counsel to each of BLY, CBP, and the AHG (with a copy to each respective counsel to those parties) shall constitute written notice for the purpose of this clause 5.4.

5.5 Certificate

On the Second Court Date:

- (a) BLY will provide a certificate to the Australian Court confirming whether Conditions 3 to 7 and Conditions 9, 10 to 17 as set out in clause 5.1 have been satisfied or waived in accordance with the terms of this agreement;
- (b) Supporting Creditors will provide a certificate to the Australian Court confirming whether Conditions 1, 2, (if applicable) and Condition 8 set out in clause 5.1 have been satisfied or waived in accordance with the terms of this agreement;
- (c) BLY will provide a certificate to the Supporting Creditors confirming whether it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breach; and
- (d) Each of the Supporting Creditors will provide a certificate to BLY confirming whether it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breach.

On the day after the Second Court Date:

- (a) BLY will provide a copy of the sealed Scheme Approval Orders to the Supporting Creditors.

5.6 Interpretation

For the purposes of this clause 5.6, a Condition will be incapable of satisfaction, or incapable of being fulfilled if:

- (a) in the case of a Condition relating to a Regulatory Approval, or an approval or order of any court, the relevant Government Agency or Regulator or court, as applicable, makes or has made a final, non-appealable adverse determination in writing to the effect that it will not provide the Regulatory Approval or court approval or order, as applicable; and
- (b) in all other cases – there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived or cured in accordance with this agreement).

6. Transaction

6.1 BLY Creditors' Schemes

- (a) BLY and its Subsidiaries will implement a restructuring transaction primarily by commencing the following (together, the **BLY Creditors' Schemes**):
 - (i) a proceeding to implement a scheme of arrangement in respect of the secured portions of Term Loan A, Term Loan B, and the Secured Notes Claims in the Australian Court under the Corporations Act that is consistent in all substantial

respects with the Restructuring Term Sheet and the Key Restructuring Documents to be agreed in accordance with clause 2.1(b) above, and otherwise on terms and in form and substance acceptable to BLY and the Supporting Creditors (**Secured Creditors' Scheme**); and

- (ii) a proceeding to implement a scheme of arrangement in respect in respect of the Unsecured Notes Indenture, the unsecured interest under the Term Loan A and Term Loan B, and the unsecured interest and premium under the Secured Notes Indenture in the Australian Court that is consistent in all substantial respects with the Restructuring Term Sheet and the Key Restructuring Documents to be agreed in accordance with clause 2.1(b) above, and otherwise on terms and in form and substance acceptable to BLY and the Supporting Creditors (**Unsecured Creditors' Scheme**).
- (b) The BLY Creditors' Schemes will be implemented in accordance with customary documentation in form and substance acceptable to BLY, CBP and the AHG, each acting reasonably, and BLY and its Subsidiaries will commence proceedings for recognition of the BLY Creditors Schemes under Chapter 15 of the U.S. Bankruptcy Code.
- (c) BLY, the BLY Issuer, Term Loan Issuer, and Holdings agree that they have commenced, and will continue, preparing the customary documentation for the BLY Creditors' Schemes as soon as practicable, and in any event in accordance with applicable law, this agreement, and the Milestones.
- (d) Securities issued under the BLY Creditors' Schemes may be subject to restrictions on resale pursuant to the Securities Act. BLY, the BLY Issuer, Term Loan Issuer, and Holdings agree that, should the Australian Court make an order approving the BLY Creditors' Schemes, they will ask the Australian Court to make a note on the orders to the effect that the scheme company will rely on the Court's approval for the purposes of qualifying for exemption from the registration requirements of the United States Securities Act of 1933, provided for by section 3(a)(10) of that Act, in connection with the New BLY Securities to be issued as part of the implementation of the BLY Creditors' Schemes.
- (e) Each of the Supporting Creditors agrees to attend in person or by proxy and timely vote or instruct its proxy or any other relevant person to timely vote and/or exercise any powers or rights available to it to vote in favour of the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable) at the meetings of creditors ordered under section 411(1) of the Corporations Act in relation to the Secured Creditors' Scheme and Unsecured Creditors' Scheme (as applicable).

6.2 Interdependence of the BLY Creditors' Schemes

Notwithstanding anything to the contrary contained or implied in this agreement, each party agrees and acknowledges that:

- (a) the Secured Creditors' Scheme will be conditional on the Unsecured Creditors' Scheme becoming Effective and the Unsecured Creditors' Scheme will be conditional on the Secured Creditors' Scheme becoming Effective; and
- (b) any orders made pursuant to section 411(4)(b) in respect of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme must be lodged simultaneously.

6.3 Redomiciliation

- (a) In conjunction with undertaking the Transaction, BLY must take all steps to redomicile its business in the Agreed Jurisdiction (**Redomiciliation**) by undertaking a proceeding to implement the Redomiciliation Scheme in the Australian Court under the Corporations Act in a manner that is consistent in all substantial respects with the Restructuring Term Sheet and other Restructuring Documents and otherwise on terms in form and substance acceptable to BLY and the relevant Initial Supporting Creditors.
- (b) Notwithstanding anything to the contrary contained or implied herein, each party acknowledges and agrees that:
 - (i) the Redomiciliation Scheme will be implemented in accordance with customary documentation that is consistent in all substantial respects with the Restructuring Term Sheet, the other Restructuring Documents, the Milestones, this agreement and subject to applicable law (**Redomiciliation Documentation**);

- (ii) BLY must prepare the Redomiciliation Documentation as soon as practicable and such documentation shall be in a form that is reasonably acceptable to BLY and the Initial Supporting Creditors;
- (iii) BLY must take all necessary steps to ensure that the Redomiciliation Scheme Resolution is put to, and considered and voted on by, BLY Shareholders immediately after the General Meeting has been held and is closed; and
- (iv) the Supporting Creditors will not be required to support the Transaction in the manner contemplated by this agreement if any aspect of the corporate governance arrangements contemplated by the Restructuring Term Sheet is unlawful (or is otherwise unable to be implemented as contemplated) in the Agreed Jurisdiction.

7. Directors recommendation, intentions, and announcement

7.1 BLY Board Recommendations and voting intentions

- (a) BLY will procure, and represents and warrants that it has been advised by the BLY Board, that the BLY Board and each of the BLY directors (**Recommendation**) will unanimously recommend:
 - (i) in the Announcement and the Notice of Meeting that BLY Shareholders vote in favour of the Transaction Resolutions, subject to the EGM Independent Expert not concluding that the Transaction Resolutions are “not fair” and “not reasonable” to the non-associated BLY Shareholders; and
 - (ii) that BLY Shareholders vote in favour of the Redomiciliation Scheme Resolution, provided that the EGM Independent Expert has concluded that the Redomiciliation Scheme is in the best interests of BLY Shareholders.
- (b) BLY represents that each BLY director has indicated to BLY that:
 - (i) they intend to cause any Shares in which they have a Relevant Interest and which are eligible to be voted on the Transaction Resolutions to be voted in favour of the Transaction Resolutions (**Voting Intention**) and to maintain such Voting Intention, subject to:
 - (A) there being no Superior Proposal following full compliance with clause 4.1; and
 - (B) the EGM Independent Expert not concluding that the Transaction Resolutions are “not fair” and “not reasonable” to the non-associated BLY Shareholders;
 - (ii) they intend to cause any Shares in which they have a Relevant Interest and which are eligible to be voted on the Redomiciliation Scheme Resolution to be voted in favour of the Redomiciliation Scheme Resolution (**Scheme Voting Intention**) and to maintain such Scheme Voting Intention, provided that the Redomiciliation Independent Expert has concluded that the Redomiciliation Scheme is in the best interests of BLY Shareholders, and that the Redomiciliation Scheme booklet will state that the BLY Board unanimously considers the Redomiciliation Scheme to be in the best interests of BLY Shareholders, provided that the Redomiciliation Independent Expert has concluded that the Redomiciliation Scheme is in the best interests of BLY Shareholders and states that Scheme Voting Intention; and
 - (iii) that each BLY director has confirmed his or her agreement not to do anything inconsistent with their Recommendation, Voting Intention, and Scheme Voting Intention (including withdrawing, changing or in any way qualifying their Recommendation, Voting Intention, and Scheme Voting Intention) other than in the circumstances referred to in clause 7.1(c) and 7.1(d)(iii)),

and that the Notice of Meeting will state that Voting Intention as at the date of the Notice of Meeting.
- (c) The BLY Board shall not change, withdraw or modify its recommendation to vote in favour of the Transaction Resolutions unless, prior to the date on which the BLY Shareholders have approved the Transaction Resolutions:

- (i) BLY has received a Superior Proposal following full compliance with clause 4.1; and
 - (ii) the BLY Board has determined, after receiving written financial advice from its financial advisers and written legal advice from BLY's Counsel, that failing to change, withdraw or modify its recommendation in response to such Superior Proposal would constitute a breach of the BLY Board's fiduciary or statutory duties under applicable law.
- (d) BLY must ensure that:
- (i) the BLY Board unanimously recommends that, subject to the Redomiciliation Independent Expert concluding that the Redomiciliation Scheme is in the best interests of BLY Shareholders, BLY Shareholders vote in favour of the Redomiciliation Scheme at the scheme meeting;
 - (ii) the Redomiciliation Scheme booklet will state:
 - (A) the BLY Board unanimously considers the Redomiciliation Scheme to be in the best interests of BLY Shareholders and recommends that BLY Shareholders approve the Redomiciliation Scheme Resolution, provided that the Redomiciliation Independent Expert has concluded that the Redomiciliation Scheme is in the best interests of BLY Shareholders; and
 - (B) each BLY director's Scheme Voting Intention;
 - (iii) a BLY director does not change, withdraw or modify their recommendations or statements, or make any public statement that is inconsistent with or qualifies such recommendations or statements, unless the Redomiciliation Independent Expert concludes in the (updated) Redomiciliation Expert's Report prior to the Redomiciliation Scheme meeting that the Redomiciliation Scheme is not in the best interests of BLY Shareholders.

7.2 Announcements

Promptly after the execution of this agreement BLY must issue the Announcement to the ASX.

7.3 Promotion of Schemes

During the Exclusivity Period, BLY must procure that the senior executives of BLY or its subsidiaries use reasonable endeavours to promote the merits of the BLY Creditors' Schemes and the Redomiciliation Scheme, including:

- (a) meeting with key BLY Shareholders and key creditors of the BLY Group;
- (b) communicating with BLY's employees, customers and suppliers and the employees, customers and suppliers of BLY's Related Entities; and
- (c) communicating with the public to promote the merits of:
 - (i) the BLY Creditors' Schemes, subject only to:
 - (A) the EGM Independent Expert not having concluded in the EGM Independent Expert's Report that the Transaction Resolutions are "not fair" and "not reasonable" to the non-associated BLY Shareholders;
 - (B) the Creditors' Schemes Independent Expert opining that BLY will be solvent immediately following the Completion Date;
 - (C) there being no Superior Proposal following full compliance with clause 4.1; and
 - (ii) the Redomiciliation Scheme, subject only to the Independent Expert not having concluded in the Independent Expert's Report that the Redomiciliation Scheme Resolution is not in the best interests of BLY Shareholders.

8. Secured Creditors' Scheme, Unsecured Creditors' Scheme and Redomiciliation Scheme- Implementation obligations

8.1 BLY's obligations

BLY must take all reasonable steps necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement each of the Secured Creditors' Scheme and Unsecured Creditors' Scheme as soon as reasonably practicable and after the date of this agreement and in accordance with the Milestones, the Restructuring Term Sheet and this agreement including taking each of the following steps:

- (a) **(Notice of Meeting)** prepare the Notice of Meeting;
- (b) **(ASX Confirmation of terms of the Warrants)** obtain confirmation from ASX that it approves of the terms of the Warrants referred to in the Restructuring Term Sheet;
- (c) **(Convene Meeting)** take all steps necessary to convene and hold the General Meeting in which each Transaction Resolution is tabled and voted;
- (d) **(Explanatory Booklets)** prepare each of the Explanatory Booklets;
- (e) **(Independent Expert)** promptly provide all assistance and information reasonably requested by each of the Independent Experts in connection with the preparation of the relevant Independent Expert's Reports;
- (f) **(Key Restructuring Documents)** prepare each Key Restructuring Document;
- (g) **(consultation with CBP and the AHG):** consultation with counsel to CBP and AHG Counsel as to the content and presentation of each Key Restructuring Document, the Explanatory Booklets, including:
 - (i) using reasonable endeavours to provide counsel to CBP and AHG Counsel with drafts of each Key Restructuring Document and the Explanatory Booklets,
 - (ii) allowing counsel to CBP and the AHG Counsel a reasonable opportunity to review and make comments on each draft of Key Restructuring Documents and successive draft versions of the Explanatory Booklets;
 - (iii) taking any reasonable comments by counsel to CBP and the AHG Counsel into account in good faith when preparing each Key Restructuring Document and the Explanatory Booklets; and
 - (iv) providing counsel to CBP and AHG Counsel with a revised draft of the Explanatory Booklets, within reasonable time before the drafts which are provided to ASIC for review are finalised;
- (h) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Notice of Meeting and each of the Explanatory Booklets suitable for review by ASIC, procure that a meeting of the BLY Board, or of a committee of the BLY Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval;
- (i) **(approval of the Notice of Meeting and the Explanatory Booklets)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Notice of Meeting and each of the Explanatory Booklets, procure that a meeting of the BLY Board, or of a committee of the BLY Board appointed for the purpose, is held to consider approving the EGM Explanatory Booklet for despatch to the BLY Shareholders and the Creditors' Scheme Explanatory Booklet to Creditors, and with respect to each of the Explanatory Booklets, subject to orders of the Australian Court under section 411(1) of the Corporations Act;
- (j) **(application for order under s 411(16))** apply to the Australian Court for an order under section 411(16) of the Corporations Act;
- (k) **(convening BLY Creditors' Scheme Meetings)** take all steps necessary to comply with the orders of the Australian Court including, as required, despatching the Creditors' Schemes Explanatory Booklet to the Creditors and convening and holding the BLY Creditors' Scheme Meetings;
- (l) **(Court approval application)** if:

- (i) the resolution submitted to the BLY Creditors' Scheme Meetings is passed by the requisite majorities under section 411(4)(a)(i) of the Corporations Act; and
 - (ii) the Transaction Resolutions submitted to the General Meeting are passed by the requisite majorities,
- apply to the Australian Court for orders approving the Secured Creditors' Scheme and the Unsecured Creditors' Scheme;
- (m) **(appeal process)** if the Australian Court refuses to make any orders directing BLY to convene the BLY Creditors' Scheme Meeting or approving the BLY Creditors' Schemes, BLY and the Supporting Creditors must:
 - (i) consult with each other in good faith as to whether to appeal the Australian Court's decision; and
 - (ii) appeal the Australian Court decision unless the Initial Supporting Creditors consent to BLY not making such appeal;
 - (n) **(Implementation of BLY Creditors' Scheme)** if the Secured Creditors' Scheme and the Unsecured Creditors' Scheme are approved by the Australian Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Secured Creditors' Scheme and the Unsecured Creditors' Scheme in accordance with section 411(10) of the Corporations Act; and
 - (ii) do all other things contemplated by or necessary to give effect to the Secured Creditors' Scheme and the Unsecured Creditors' Scheme and the orders of the Australian Court approving the Secured Creditors' Scheme and the Unsecured Creditors' Scheme;
 - (o) **(Chapter 15 recognition)** use reasonable efforts to obtain recognition of the Australian Proceeding and the BLY Creditors' Schemes via the Chapter 15 Cases;
 - (p) **(Regulatory notifications)** in relation to the Regulatory Approvals, lodge with any Government Agency within the relevant periods all documentation and filings required by law to be so lodged by BLY in relation to the Transaction;
 - (q) **(Compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations; and
 - (r) **(Cooperation)** cooperate with all reasonable requests from the Supporting Creditors or their counsel in respect of implementing the Transaction, including, to the extent any legal or structural impediment would prevent, hinder or delay consummation of the Transaction, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; provided that the economic outcome for the Supporting Creditors and BLY and the anticipated timing of the closing of the Transaction be substantially preserved in any such alternative provisions.

8.2 The Supporting Creditors' obligations

Each of the Supporting Creditors must take reasonable steps to assist BLY to implement the Secured Creditors' Scheme and the Unsecured Creditors' Scheme as soon as reasonably practicable and substantially in accordance with the Milestones, Restructuring Term Sheet and this agreement, including taking each of the following steps:

- (a) **(the Supporting Creditors Information)** provide to BLY, in a form appropriate for inclusion in the Notice of Meeting and each of the Explanatory Booklets (as applicable), all Supporting Creditors Information of such Supporting Creditor, which information must:
 - (i) not, to the knowledge of such Supporting Creditor, be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Notice of Meeting and any of the Explanatory Booklets (as applicable); and
 - (ii) be updated by all such further or new material information that is available which may arise after the Notice of Meeting and each of the Explanatory Booklets have been despatched until the date of the General Meeting or the BLY Creditors' Scheme Meetings (as applicable) which is necessary to ensure that it is not

misleading or deceptive in any material respect (whether by omission or otherwise);

- (b) (**Regulatory notifications**) in relation to the Regulatory Approvals, lodge with any regulatory authority within the relevant time periods all documentation and filings required by law to be so lodged by such Supporting Creditor in relation to the Transaction;
- (c) (**Independent Expert**) as soon as is reasonably practicable provide all assistance and information, in either case, that is reasonably requested by each of the Independent Experts to enable them to prepare each of the Independent Expert's Reports;
- (d) (**review of Explanatory Booklets**) as soon as reasonably practicable after delivery, , review the drafts of the Notice of Meeting and each of the Explanatory Booklets and provide comments on those drafts in good faith;
- (e) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Notice of Meeting and each of the Explanatory Booklets suitable for review by ASIC, take reasonable steps to procure that a meeting of the appropriate representatives of the Supporting Creditors is held to consider approving those sections of that draft that relate to the Supporting Creditors as being in a form appropriate for provision to ASIC for review;
- (f) (**approval of Notice of Meeting and Explanatory Booklets**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Notice of Meeting and each of the Explanatory Booklets, take reasonable steps to procure that a meeting of the appropriate representatives of the Supporting Creditors is held to consider approving those sections of the Notice of Meeting and each of the Explanatory Booklets that relate to the Supporting Creditors as being in a form appropriate for despatch to BLY Shareholders and BLY Creditors (respectively) and with respect to the Explanatory Booklets, subject to approval of the Australian Court;
- (g) (**voting**) voting in favour of the resolution proposed at the BLY Creditors' Scheme Meetings to implement the Secured Creditors' Scheme and the Unsecured Creditors' Scheme;
- (h) (**Representation**) take reasonable steps to procure that, if requested by the Supporting Creditors or BLY, such Supporting Creditor is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
- (i) (**Cooperation**) cooperate with all reasonable requests from BLY or BLY's Counsel in respect of implementing the Transaction, including, to the extent any legal or structural impediment would prevent, hinder or delay consummation of the Transaction, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; provided that the economic outcome for the Supporting Creditors and the anticipated timing of the closing of the Transaction be substantially preserved in any such alternative provisions;
- (j) (**Consent to Interim Financing**) timely take all steps necessary to consent to, and take all reasonable steps necessary to support, the Interim Financing Consents but only to the extent such consents are in form and substance acceptable to the Supporting Creditors and consistent with the terms and conditions set out in the Restructuring Term Sheet; and
- (k) (**Consent to 2021 Interest Payment Amendments**) timely take all steps necessary to consent to, and take all reasonable steps necessary to support, the 2021 Interest Payment Amendments but only to the extent such consents are in form and substance acceptable to the Supporting Creditors and consistent with the terms and conditions set out in the Restructuring Term Sheet.

8.3 BLY's obligations regarding Redomiciliation

BLY must take all reasonable steps necessary and (subject to all of the Conditions being satisfied or waived in accordance with their terms), implement the Redomiciliation Scheme as soon as reasonably practicable after the date of this agreement and in accordance with the Milestones, the Restructuring Term Sheet and this agreement including taking each of the following steps:

- (a) (**Redomiciliation Explanatory Booklet**) prepare and despatch the Redomiciliation Explanatory Booklet in accordance with all applicable laws (including the Corporations Act and the Corporations Regulations), ASIC Regulatory Guide 60 and the ASX Listing Rules;

- (b) **(BLY directors' recommendation)** use its best endeavours to include in the Redomiciliation Scheme Booklet and Announcement a statement by:
- (i) the BLY Board unanimously recommending the Redomiciliation Scheme to be in the best interests of BLY Shareholders and recommending BLY Shareholders vote in favour of the Redomiciliation Scheme Resolution at the Redomiciliation Scheme Meeting, subject to the Redomiciliation Independent Expert concluding that the Redomiciliation Scheme is in the best interests of BLY Shareholders; and
 - (ii) each BLY director that he or she will, subject to the Redomiciliation Independent Expert concluding that the Redomiciliation Scheme is in the best interests of BLY Shareholders, cause any BLY Shares in which they have a Relevant Interest and which are eligible to be voted on the Redomiciliation Scheme Resolution to be voted in favour of the Redomiciliation Scheme Resolution;
- (c) **(due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Redomiciliation Explanatory Booklet;
- (d) **(consultation with CBP and AHG)** consult with CBP and the AHG as to the content and presentation of the Redomiciliation Explanatory Booklet, including:
- (i) using reasonable endeavours to provide counsel to CBP and the AHG Counsel with drafts of the Redomiciliation Explanatory Booklet on a timely basis;
 - (ii) allowing counsel to CBP and the AHG Counsel a reasonable opportunity to review and make comments on successive drafts of the Redomiciliation Explanatory Booklet,
 - (iii) taking any reasonable comments by counsel to CBP and the AHG Counsel into account in good faith when preparing the Redomiciliation Explanatory Booklet; and
 - (iv) providing counsel to CBP and the AHG Counsel with a revised draft Redomiciliation Explanatory Booklet, within reasonable time before the draft which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act is finalised;
- (e) **(Redomiciliation Independent Expert)** promptly appoint the Redomiciliation Independent Expert and promptly provide all assistance and information reasonably requested by the Redomiciliation Independent Expert in connection with the preparation of the Redomiciliation Expert's Report for inclusion in the Redomiciliation Explanatory Booklet;
- (f) **(approval of draft Redomiciliation Scheme Booklet)** as soon as reasonably practicable after the preparation of an advanced draft of the Redomiciliation notice of meeting and the Redomiciliation Explanatory Booklet suitable for review by ASIC, procure that a meeting of the BLY Board is held to consider approving the draft Redomiciliation Explanatory Booklet for provision to ASIC for its review and approval;
- (g) **(provision to ASIC)** as soon as reasonably practicable after the date of this agreement but no later than 14 days before the first Court date for the Redomiciliation Scheme, provide an advanced draft of the Redomiciliation Explanatory Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and liaise with ASIC in relation to the draft Redomiciliation Explanatory Booklet and keep CBP and the AHG reasonably and promptly informed of any matters raised by ASIC in relation to the Redomiciliation Explanatory Booklet (and of any resolution of those matters) and use its best endeavours, in co-operation with CBP and the AHG, to resolve any such matters;
- (h) **(section 411(17)(b) statement)** apply to ASIC for the production of:
- (i) a letter stating that ASIC does not intend to appear before the Court on the first Court hearing for the Redomiciliation Scheme; and
 - (ii) a statement in accordance with section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Redomiciliation Scheme
- (i) **(Court documents)** promptly engage counsel and prepare all documents necessary for the Court proceedings (including any appeals) relating to the Redomiciliation Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide drafts of those documents to CBP and the AHG in a timely manner for review; provide CBP and the AHG with a reasonable opportunity to review and comment on those documents before they are lodged or filed

with the Court and consider in good faith, for the purposes of amending drafts of those documents, comments from CBP and the AHG and their Representatives on those documents;

- (j) **(first Court hearing)** promptly lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 411(1) of the Corporations Act directing BLY to convene the Redomiciliation Scheme Meeting;
- (k) **(registration of Redomiciliation Explanatory Booklet)** if the Court directs BLY to convene the Redomiciliation Scheme Meeting, as soon as reasonably practicable after such orders are made, request ASIC to register the explanatory statement included in the Redomiciliation Explanatory Booklet in relation to the Redomiciliation Scheme in accordance with section 412(6) of the Corporations Act;
- (l) **(Convene Redomiciliation Scheme Meeting)** promptly take all steps necessary to comply with the orders of the Court, including, as required, despatching the Redomiciliation Explanatory Booklet to BLY Shareholders, convening and holding the Redomiciliation Scheme Meeting in accordance with the Court orders, and putting the Redomiciliation Scheme Resolution to BLY Shareholders at the Redomiciliation Scheme Meeting;
- (m) **(Court approval application)** if the Redomiciliation Scheme is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act and if it can be reasonably expected that all the Redomiciliation Scheme Conditions (other than the condition requiring Court approval) will be satisfied or waived in accordance with the agreement, apply to the Court for orders approving the Redomiciliation Scheme, and lodge all relevant documents with the Court and take all other reasonable steps to ensure that such application is heard by the Court at the second Court hearing
- (n) **(certificate)** at the hearing on the second court date, provide to the Court a certificate signed for and on behalf of BLY confirming (in respect of matters within its knowledge) whether or not the Redomiciliation Scheme conditions (other than the condition requiring Court approval) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to CBP and the AHG by 5.00pm on the date 2 Business Days prior to the Second Court Date;
- (o) **(lodge Court order)** if the Court approves the Redomiciliation Scheme, lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Redomiciliation Scheme as soon as reasonably practicable after the Court makes the orders by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by CBP and the AHG);
- (p) **(implementation of Redomiciliation)** if the Court approves the Redomiciliation Scheme:
 - (i) finalise and close the BLY share register as at the Redomiciliation Scheme record date to determine the identity of the Redomiciliation Scheme participants and to determine their entitlements in accordance with the Redomiciliation Scheme;
 - (ii) promptly execute proper instruments of transfer of, and register all transfers of, the scheme shares in accordance with the Redomiciliation Scheme; and
 - (iii) promptly do all other things contemplated by or necessary to give effect to the Redomiciliation Scheme and the orders of the Court approving the Redomiciliation Scheme and to effect the transfer of the scheme shares;
- (q) **(Compliance with laws)** do everything reasonably within its power to ensure that the Redomiciliation is effected in accordance with all applicable laws and regulations;
- (r) **(keep CBP informed)** from the first Court date until implementation of the Redomiciliation, promptly inform CBP and the AHG if it becomes aware that the Redomiciliation Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or that contains a material omission;
- (s) **(Cooperation)** cooperate with all reasonable requests from CBP and the AHG or their counsel in respect of implementing the Redomiciliation and do all things contemplated by or reasonably necessary or desirable to lawfully give effect to the Redomiciliation Scheme and the orders of the Court approving the Redomiciliation Scheme.

8.4 Responsibility statement

The parties agree that the Notice of Meeting and each of the Explanatory Booklets must include a responsibility statement which will contain words to the effect that:

- (a) BLY has prepared, and is responsible for, the BLY Information contained in the Scheme Booklets, and the Initial Supporting Creditors do not assume any responsibility or liability for the accuracy or completeness of that information, but that BLY does take responsibility and liability for that information; and
- (b) each Supporting Creditor has provided, and is responsible for, the Supporting Creditors Information which that Supporting Creditor has provided, and BLY does not assume any responsibility or liability for the accuracy or completeness of that information, but that Supporting Creditor does take responsibility and liability for that information.

9. Commitments Regarding the Restructuring

9.1 Transfer of Claims and Securities

- (a) Subject to clause 9.1(b), until the End Date:
 - (i) no Supporting Creditor shall sell, assign, transfer, permit the participation in, or otherwise dispose of, directly or indirectly, any right, title or interest in respect of ownership in any of the Supporting Debt or deposit any of the Supporting Debt into a voting trust, or grant any proxies, or enter into a voting agreement with respect to such Supporting Debt (each, a “**Transfer**”), unless the transferee thereof either:
 - (A) is a Supporting Creditor; or
 - (B) agrees in writing for the benefit of the other parties to be bound by all of the terms of this agreement with respect to such acquired Supporting Debt by executing the joinder substantially in the form attached hereto as Schedule 4, and delivering an executed copy thereof, prior to or at the closing of such transfer, to BLY and the Supporting Creditors in accordance with clause 14 hereof, in which event the transferee shall be deemed to be a Supporting Creditor under this agreement with respect to such transferred Supporting Debt,

provided in each case, following voting on the relevant Creditors' Scheme, the relevant Supporting Creditor and each of the other parties to the Transfer have complied with the instructions stipulated in the Explanatory Booklets in respect of the Proposed Transfer. Each Supporting Creditor agrees and acknowledges that any such transfer of Supporting Debt that does not comply with the terms and procedures set forth in this clause 9.1(a) shall be deemed null and void *ab initio* regardless of any prior notice provided to any of the parties to this agreement and shall not create any obligation or liability to the purported transferor or transferee
- (b) Notwithstanding anything herein to the contrary, (i) any Supporting Creditor may transfer (by purchase, sale, assignment, participation, or otherwise) any Supporting Debt to an entity that is acting in its capacity as a Qualified Marketmaker¹ without the requirement that the Qualified Marketmaker be or become a Supporting Creditor; provided that the Qualified Marketmaker subsequently transfers (by purchase, sale, assignment, participation, or otherwise) the right, title, or interest in such Supporting Debt to a transferee that is or becomes a Supporting Creditor by executing a Joinder Agreement and delivering an executed copy thereof, prior to or at the closing of such transfer, to BLY

¹ For the purposes of this clause 10.1 a “**Qualified Marketmaker**” means an entity that (a) holds itself out to the market as standing ready in the ordinary course of its business to purchase from customers and sell to customers claims against and/or interests in (as applicable) BLY and its affiliates (including debt securities or other debt) or enter with customers into long and short positions in claims against BLY and its affiliates (including debt securities or other debt), in its capacity as a dealer or market maker in such claims against BLY and its affiliates and (b) is in fact regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

and the Supporting Creditors in accordance with clause 14 hereof, in which event the transferee shall be deemed to be a Supporting Creditor under this agreement with respect to such transferred Claims; provided further that in the event a Qualified Marketmaker is, on the date on which the BLY Creditors' Schemes become Effective, a holder of Supporting Debt, it shall have the same obligations as a Supporting Creditor to support the BLY Creditors' Schemes; and (ii) to the extent a Supporting Creditor, acting in its capacity as a Qualified Marketmaker, acquires any Supporting Debt from a holder of such claim or interest who is not a Supporting Creditor, it may transfer (by purchase, sale, assignment, participation, or otherwise) such claim or interest without the requirement that the transferee be or become a Supporting Creditor in accordance with this clause 9.1(a)(i).

- (c) This agreement shall in no way be construed to preclude the Supporting Creditors from acquiring additional Supporting Debt provided, however, that such acquired Indebtedness shall automatically and immediately upon acquisition by a Supporting Creditor be deemed subject to the terms of this agreement (regardless of when or whether notice of such acquisition is given to BLY).

9.2 Commitments of BLY

During the period from the Commencement Date until the End Date, BLY agrees to the following affirmative covenants:

- (a) BLY shall provide counsel to CBP and the AHG Counsel at least four (4) Business Days (or, with the prior written consent of CBP and the AHG, such shorter prior review period as necessary in light of exigent circumstances) prior to the date when BLY intends to file such document draft copies of the Court Documents, Restructuring Documents and other material intended to be filed with the Australian Court in connection with the BLY Creditors' Schemes or with the U.S. Bankruptcy Court in connection with the Chapter 15 Cases. BLY shall consult in good faith with counsel to CBP and the AHG Counsel regarding the form and substance of all such material. Counsel to CBP and the AHG Counsel shall provide all comments to such material by no later than two (2) Business Days prior to the date when BLY intends to file with the Court such motions, and BLY's Counsel shall consult in good faith with such counsel regarding any comments so provided if BLY's Counsel shall not be in agreement with such comments, provided that, following such good faith consultation, so long as such documentation is in accordance with the terms and conditions of this agreement and the Restructuring Term Sheet, BLY's Counsel may accept or reject any such comments in its reasonable discretion, provided that BLY's Counsel shall seek consent of counsel to CBP and the AHG Counsel before filing any of such materials if such consent is required under this agreement, including but not limited to clauses 2.1(b) and 2.1(f);
- (b) BLY shall provide counsel to CBP and the AHG Counsel at least two (2) Business Days (or such shorter prior review period as necessary due to exigent circumstances) prior to the date when BLY intends to file such document draft copies of any application, announcement or other material intended to be lodged with or announced to the ASIC or ASX in connection with or otherwise referring to the Transaction;
- (c) BLY shall, unless otherwise objected to by the Initial Supporting Creditors acting reasonably, timely file a formal objection or response to (or otherwise address in a manner acceptable to the Initial Supporting Creditors) any unresolved motion or pleading filed relating to the Transaction by a third party seeking the entry of an order (A) dismissing the Chapter 15 Cases or any BLY Creditors' Schemes, or (B) seeking relief that is inconsistent with this agreement in any respect or that is contrary to, or would, or would reasonably be expected to, frustrate the purposes of this agreement, including by preventing the consummation of the Transaction;
- (d) BLY shall, unless otherwise objected to by the Initial Supporting Creditors acting reasonably, timely file a formal written response in opposition to (or otherwise address in a manner reasonably acceptable to the Initial Supporting Creditors) any objection filed with the Court by any person;
- (e) BLY shall pay the reasonable and documented fees and expenses of the advisors to CBP and the advisors to the AHG invoiced and outstanding in connection with the Transaction in accordance with clause 17.8;

- (f) BLY shall promptly notify the Supporting Creditors in writing of any governmental or third-party complaints, litigations, investigations, or hearings (or written communications indicating that the same may be contemplated or threatened) in connection with the Transaction; and
- (g) BLY shall promptly notify the Supporting Creditors of any uncured breach by BLY in respect of any of the obligations, representations, warranties or covenants set forth in this agreement by furnishing written notice to the Supporting Creditors pursuant to clause 14 hereof within three (3) business days of actual knowledge of such breach.

This clause 9.2 does not limit BLY in filing or otherwise providing a document to the extent required by law or the listing rules of ASX.

10. Debt Standstill

10.1 Standstill Period – Supporting Creditors

During the period between the Commencement Date and the End Date (as it may be extended in accordance with this agreement), each Supporting Creditor hereby agrees as follows:

- (a) it shall forbear from the exercise of any right or remedies they may have under or in connection with the documents governing their respective creditor claims against the BLY Group, including any right to seek interest payments thereunder, and under applicable United States, Australian, or foreign law or otherwise with respect to any defaults, events of default or events, however described, which may arise under such documents at any time on or before the termination of this agreement, including any Enforcement Action;
- (b) it shall not commence or continue and shall instruct the Notes Trustees, Loan Agents and Collateral Agents (as applicable) not to commence or continue any legal action or other proceedings against any member of the BLY Group or any of their respective assets (including any rights arising from an Event of Default as defined in the Relevant Finance Document);
- (c) it shall not exercise and not direct any of the Notes Trustees, Loan Agents or Collateral Agents (as applicable) to exercise, and shall instruct each of the Notes Trustees, Loan Agents and Collateral Agents (as applicable) to desist from exercising, any rights under the Relevant Finance Document;
- (d) it shall not take any steps to enforce or make any demand under any guarantee, security or other right of recourse held by the Supporting Creditors in respect of the Relevant Finance Document;
- (e) it shall not vote, as a Creditor, in favour of any amendment, waiver, consent or other proposal which would breach or be inconsistent with this agreement;
- (f) it shall not instruct any person to take, and shall instruct each of the Notes Trustees, Loan Agents and Collateral Agents (as applicable) not to take, and to desist from taking, any Enforcement Action in relation to the Relevant Finance Document;
- (g) it shall vote against any proposal or resolution to take Enforcement Action in relation to the Relevant Finance Document;
- (h) it shall not take and shall instruct the Notes Trustees, Loan Agents and Collateral Agents (as applicable) not to take any steps, directly or indirectly, to wind up or appoint a liquidator, administrator, receiver or receiver & manager or analogous office over, or commence any other insolvency related or attachment proceedings against any member of the BLY Group or against any assets of any member of the BLY Group or take any steps to enforce payment or discharge of the Relevant Finance Document;
- (i) subject to clause 10.2, it shall not declare any "Event of Default" under any Relevant Finance Document (**Suspended Event**), including in respect of any circumstances subsisting as at or prior to the Commencement Date, except that if a Suspended Event is continuing on the date that is five Business Days after the End Date (being the **Enforcement Date**) the relevant "Event of Default" shall be deemed to have occurred on the "Enforcement Date" (but not earlier than such date five Business Days after the End Date);

- (j) it will not ask or require any borrower or issuer under any Relevant Finance Document to make any payment of Indebtedness under such Relevant Finance Document other than as expressly provided for in this agreement;
- (k) it will not ask or require any party to a Relevant Finance Document to Dispose of any of its assets if such Disposal would constitute a breach of this agreement;
- (l) it will not take, or direct or instruct any person to take, any Enforcement Action against or in respect of any member of the BLY Group or in respect of any indebtedness, liability or obligations (in each case, including at law) of such member, including under or in connection with any Relevant Finance Document or any transaction under or contemplated by any Relevant Finance Document.
- (m) it shall not exercise and not direct, directly or indirectly, any of the Notes Trustees, Loan Agents or Collateral Agents (as applicable) to exercise, and instruct each of the Notes Trustees, Loan Agents and Collateral Agents (as applicable) to desist from exercising, any rights under the Relevant Finance Documents; and
- (n) it shall not, directly or indirectly, instruct any person to take, and instruct each of the Notes Trustees, Loan Agents and Collateral Agents (as applicable) to desist from taking, any Enforcement Action in relation to the Relevant Finance Document.

For the avoidance of doubt, the forbearance set forth in this clause 10.1 shall not constitute a waiver with respect to any defaults or events of default under the documents governing the Supporting Creditors' claims, and shall not bar any Supporting Creditor from filing a proof of claim or taking action to establish the amount of such claim. If the Transaction is not consummated, or if this agreement is terminated for any reason, the parties fully reserve any and all of their rights.

In addition, this clause 10.1 shall not limit the right of any Supporting Creditor to appear as a party in interest in any court, administrative, judicial, or similar proceeding with respect to the transactions contemplated hereby to the extent that any direct or indirect actions taken by any such Supporting Creditor in connection therewith is consistent with its respective obligations under this agreement.

10.2 No standstill for certain defaults

The provisions of clause 10.1 do not apply to an event of default under a Relevant Finance Document which occurs as a result of an Insolvency Event.

10.3 Accrual of interest

Notwithstanding anything to the contrary in this agreement and in respect of each Relevant Finance Document, interest will continue to accrue at the applicable rate under that Relevant Finance Document in accordance with its terms under that Relevant Finance Document.

11. Conduct of business before the Completion Date

11.1 Conduct of BLY business

Prior to the Completion Date, the BLY Group shall not authorize, cause or permit any Proscribed Event.

11.2 Counterparty termination rights

- (a) To the extent that the commencing of, the entry into and implementation of the Transaction and the BLY Creditors' Schemes may give rise to any termination rights or any change of control consent rights under any contracts, financing or other arrangements or licenses to which BLY or any of its Subsidiaries is a party (together, the **Arrangements**) that will have the effect of creating any business risk for BLY Group's operation, BLY agrees to notify CBP and the AHG of any counterparty who exercises, or who notifies BLY of its intention to exercise, a termination right under any of the Arrangements and provide all relevant details including the Arrangements, surrounding circumstances and BLY's assessment of the business risk.
- (b) The obligations under sub-paragraph (a) shall:
 - (i) not apply to any Arrangements that are immaterial; and

- (ii) cease to apply after the Completion Date.

12. Warranties

12.1 Accuracy

- (a) Each party (in respect of itself only) warrants to each other party that each Capacity Warranty is true and correct at the Commencement Date and, on all days following the Commencement Date up to and including the End Date.
- (b) Each Supporting Creditor (in respect of itself only) warrants to each other party that each Supporting Creditors Warranty is true and correct at the Commencement Date and on all days following the Commencement Date up to and including the End Date.
- (c) BLY, Term Loan Issuer, Holdings, and BLY Issuer warrant to each other party that each BLY Warranty is true and correct as at the Commencement Date and on all days following the Commencement Date up to and including the End Date.

12.2 Separate Warranties

- (a) Each Warranty is a separate warranty. The interpretation of any Warranty may not be restricted by reference to or inference from any other Warranty.
- (b) The representations and warranties of each party under this agreement are several and not joint.

12.3 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 12.

13. Termination

13.1 Termination for no approval of Transaction

Any party may terminate this agreement by written notice to the other parties if:

- (a) the Completion Date has not occurred by the Longstop Date (which date may be amended or extended in writing by each of BLY, CBP and the AHG which, for this purpose, includes via email from counsel to each of BLY, CBP, and the AHG);
- (b) the BLY Shareholders do not approve the Transaction Resolutions at the General Meeting by the requisite majorities;
- (c) the relevant Creditors of BLY do not approve the respective BLY Creditors' Schemes at the relevant BLY Creditors' Scheme Meetings by the requisite majorities under subparagraph 411(4)(a)(i) of the Corporations Act;
- (d) any Government Agency or any court of competent jurisdiction issues a final, non-appealable judgment, order, injunction, decree, ruling or similar action restraining, enjoining or otherwise prohibiting the consummation of the Transaction or declaring unlawful the Transaction;
- (e) the Australian Court does not approve the BLY Creditors' Schemes in accordance with paragraph 411(4)(b) of the Corporations Act;
- (f) the U.S. Bankruptcy Court enters a final, non-appealable order denying final recognition of the Australian Court's approval of the BLY Creditors' Schemes, provided that no such termination right exists if BLY and the Initial Supporting Creditors agree not to seek chapter 15 recognition; or
- (g) at any time the agent or lenders under the Existing ABL are taking, or direct any person to take and such person is taking, any one or a series of Enforcement Actions that, in conjunction with any other pending Enforcement Actions taken by any such agents, lenders or persons, seeks to recover Collateral having an aggregate value of \$500,000 or more.

13.2 Termination by BLY

BLY may terminate this agreement by written notice to the other parties if at any time before the Completion Date:

- (a) any Supporting Creditor has terminated this agreement;
- (b) (i) any Supporting Creditor has materially breached this agreement, and (ii) BLY has given written notice to the party in breach of this agreement setting out the relevant circumstances and stating an intention to terminate this agreement, and the party in breach of this agreement has failed to remedy the breach (if it is capable of being remedied) within ten Business Days (or any shorter period ending at 5:00pm on the Business Day before the Completion Date) after the date on which the notice is given; or
- (c) at any time before the date on which the BLY Shareholders have approved the Transaction Resolutions if the BLY Board has, following full compliance with the other provisions of this agreement:
 - (i) adversely changed or withdrawn its recommendation to the extent permitted under and in accordance with clause 7.1; or
 - (ii) entered into an agreement or arrangement with a third party with respect to a Competing Proposal that is a Superior Proposal to the extent permitted under and in accordance with clause 4.1.

13.3 Termination by Supporting Creditors

- (a) Any Supporting Creditor (the "**Terminating Creditor**") may terminate this agreement as to itself by written notice to the other parties if:
 - (i) at any time before the Completion Date:
 - (A) a Supporting Creditor other than the Terminating Creditor (the "**Breaching Creditor**") has materially breached this agreement; and
 - (B) the Terminating Creditor has given written notice to the Breaching Creditor setting out the relevant circumstances and stating an intention to terminate this agreement, and the Breaching Creditor has failed to remedy the breach (if it is capable of being remedied) within ten Business Days (or any shorter period ending at 5:00pm on the Business Day before the Completion Date) after the date on which the notice is given;
 - (ii) BLY enters into an arrangement to implement a Competing Proposal; or
 - (iii) a Supporting Creditor Warranty of a Breaching Creditor is or becomes untrue or misleading in a manner that would reasonably be expected to impede the consummation of the Transaction in accordance with this agreement.
- (b) CBP or the Majority AHG Members may terminate this agreement as to all parties by written notice to BLY if:
 - (i) the BLY Board (i) fails to recommend the Transaction Resolutions; or (ii) withdraws, adversely revises or adversely modifies its recommendation that BLY Shareholders vote in favour of the Transaction Resolutions; or
 - (ii) at any time before the Completion Date:
 - (A) BLY has materially breached this agreement, provided that for purposes of this clause 13.3(b)(ii)(A), the failure to achieve a Milestone on or before the Milestone Date applicable to such Milestone shall not constitute a material breach of this agreement; and
 - (B) CBP or the Majority AHG Members give written notice to BLY setting out the relevant circumstances and stating their intention to terminate this agreement, and BLY has failed to remedy the breach (if it is capable of being remedied) within ten Business Days (or any shorter period ending at 5:00pm on the Business Day before the Completion Date) after the date on which the notice is given;
 - (iii) any Capacity Warranty given by BLY or any BLY Warranty is or becomes untrue or misleading in a manner that would reasonably be expected to impede the consummation of the Transaction in accordance with this agreement;

- (iv) a Milestone has not been achieved on or before the Milestone Date applicable to such Milestone, other than as result of any action or omission by a Supporting Creditor or a Regulator or a Court);
- (v) BLY seeks, and the Australian Court does not approve, an order under section 411(16) of the Corporations Act and an Insolvency Event occurs;
- (vi) BLY seeks, and the U.S. Bankruptcy Court denies, pursuant to a final, non-appealable order, provisional relief (including the staying of execution against the assets of BLY and its Subsidiaries) and an Insolvency Event occurs;
- (vii) a Material Adverse Event has occurred;
- (viii) BLY has breached clause 2.1(f); or
- (ix) an event of default occurs under the Existing ABL or any finance document concerning the Interim Financing (other than any default or event of default occurring (deemed or otherwise) as a result of entering into this agreement or implementing the Transaction).

13.4 Right of termination

A party may not terminate this agreement pursuant to this clause 13 in respect of a breach, occurrence, event or failure, if the relevant breach, occurrence, event or failure arises out of, or is caused by, a breach of this agreement (or any warranty given by the party under this agreement) by that party or a person under the control of that party.

13.5 Effect of termination

- (a) If any party terminates this agreement under this clause 13, this agreement and the parties' obligations under it cease, other than the obligations under clauses 12, which will survive termination.
- (b) If any party attempts to terminate this agreement under this clause 13, the other parties retain the right to contest the validity of such termination.

14. Notices

14.1 Requirements

All notices must be:

- (a) addressed to the recipient at the address, email address or fax number set out in the Details section of this agreement or to such other address, email address or fax number as that party may notify to the other parties;
- (b) signed by or on behalf of the party giving the notice. If the notice is sent by email and does not contain a signature, it is deemed to be signed by the person identified as the sender of the email;
- (c) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia), fax or email; and
- (d) if sent by email, in a form which:
 - (i) identifies the sender; and
 - (ii) clearly indicates the subject matter of the notice in the subject heading of the email.

14.2 Receipt

Without limiting any other means by which a party may prove that a notice has been received, a notice is deemed to be received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, five Business Days (if posted within Australia to an address in Australia) or seven Business Days (if posted from one country to another) after the date of posting;

- (c) if sent by fax, at the time that the whole fax was sent as stated in a report generated by the sender's fax machine;
- (d) if sent by email, when the recipient's email server generates a message to the sender confirming that the email has been delivered to that server ("delivery receipt"), or at
- (e) the time that the recipient "read" the email as stated in an automated message received by the sender ("read receipt"), whichever is earlier,

but if a notice is left at the recipient's address or is received by fax or email on a day which is not a Business Day, or after 5:00 pm (recipient's local time) on a Business Day, the notice is deemed to be received by the recipient at 9:00 am (recipient's local time) on the first Business Day after that day.

15. GST

15.1 Definitions

Terms used in this clause have the meanings given to them in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

15.2 Consideration is exclusive of GST

Unless expressly stated otherwise, all fees, charges, prices or other sums payable or consideration to be provided under or in accordance with this agreement are exclusive of GST.

15.3 Recipient to pay additional amount for GST

If this agreement requires a party to pay for, reimburse or contribute to any expense, loss or outgoing (reimbursable expense) suffered or incurred by another party, the amount required to be paid, reimbursed or contributed by the first party will be the amount of the reimbursable expense (inclusive of GST, if applicable), net of input tax credits (if any) to which the other party is entitled in respect of the reimbursable expense.

15.4 Reimbursement of expenses

If this agreement requires a party to pay for, reimburse or contribute to any expense, loss or outgoing (**reimbursable expense**) suffered or incurred by another party, the amount required to be paid, reimbursed or contributed by the first party will be the sum of the amount of the reimbursable expense, net of input tax credits (if any) to which the other party is entitled in respect of the reimbursable expense, and any GST payable by the other party unless the first party is able to claim input tax credit with respect to the reimbursable expense.

16. Confidentiality

16.1 Provisions to remain confidential

Subject to this clause 16, each party must not and must ensure that its Representatives do not, without the prior written consent of the other parties disclose:

- (a) the fact or content of negotiations leading up to or relating to this agreement; or
- (b) any information received or obtained by it or its Representatives regarding any of the other parties or their Representatives in relation to this agreement.

16.2 Confidentiality agreements

The terms of any existing confidentiality agreements executed by and among any of the parties as of the date hereof (and as may be amended from time to time) shall remain in full force in accordance with their terms. Except as required by applicable law, rule, or regulation or as ordered by the U.S. Bankruptcy Court or other court of competent jurisdiction, no party or its advisers shall disclose to any person or entity (including, for the avoidance of doubt, any other party) the holdings information of any Supporting Creditor without such Supporting Creditor's prior written consent; provided that BLY may publicly disclose the aggregate holdings of all Supporting Creditors.

16.3 Permitted disclosures

- (a) A party may make disclosures:
 - (i) to those of its employees, officers, professional or financial advisers and bankers as the party reasonably thinks necessary to give effect to this agreement but only on a confidential basis;
 - (ii) to any party and any of their respective employees, contractors or agents required in order to satisfy its obligations under this agreement and any employees, advisers or investment committee members, limited partners or advisory board members of that party or any of its affiliates of that party;
 - (iii) in respect of any Supporting Creditor, to any person to, with or through whom that Supporting Creditor may actually or potentially assign or transfer any of its rights or obligations under a Relevant Finance Document, provided that such person executes an appropriate confidentiality agreement similar in substance to the applicable items of this clause 16;
 - (iv) if required by law or the rule of, or requested by, any applicable stock exchange and, unless prohibited, after the form and terms of that disclosure have been notified to the other party and the other party has had a reasonable opportunity to comment on the form and terms; and
 - (v) otherwise pursuant to the terms of any existing confidentiality agreements executed by and among any of the parties.
- (b) The obligations of this clause do not apply to any information which the recipient can reasonably demonstrate:
 - (i) is in the public domain through no fault of its own;
 - (ii) is already known to the recipient (as evidenced by its written records) at the date of disclosure and was not acquired directly or indirectly from the disclosing party; or
 - (iii) is required to be disclosed pursuant to an agreement entered into prior to Commencement Date, by law under a court order, or by any recognised stock exchange or other regulatory body.

16.4 Public announcements

- (a) No party may make a public announcement about this agreement (including any termination of this agreement) or the Transaction, other than the Announcement, unless,
 - (i) in the case of BLY:
 - (A) the Initial Supporting Creditors have been given as much prior notice as is reasonably possible of, and consulted with in regard to, the form of the announcement; or
 - (B) applicable law or the rule of any applicable stock exchange requires BLY to make an announcement in which case the announcement may be made to the extent legally required provided that, to the extent permissible at law (and without regard to contractual restriction), it has given the Initial Supporting Creditors as much notice as reasonably possible and has consulted to the fullest extent possible in the circumstances with the Initial Supporting Creditors and has otherwise complied with this Agreement; and
 - (ii) in the case of the Supporting Creditors, the form of the announcement has been approved by the Initial Supporting Creditors and BLY has been provided with a reasonable opportunity to comment on the form of the announcement.
- (b) The parties must use all reasonable endeavours to participate constructively and promptly with respect to the consultation contemplated by clause 7.

17. General provisions

17.1 Nature of the Obligations of the parties

- (a) The obligations of each party under this agreement are several and not joint. Failure by a party to perform its obligations under this agreement does not affect the obligations of any other party under this agreement. No party is responsible for the obligations of any other party under this agreement.
- (b) The rights of each party under or in connection with this agreement are separate and independent rights. A party may separately enforce its rights under this agreement unless expressly stated otherwise.

17.2 FIRB Approval

- (a) Any party that requires FIRB Approval in order to satisfy its obligations under this agreement or participate in the Transaction to the extent contemplated under this agreement must take all reasonable efforts to obtain that approval in a timely manner.
- (b) BLY must promptly reimburse any Supporting Creditor for the amount of any filing fees paid by or on behalf of that Supporting Creditor in connection with seeking FIRB Approval.

17.3 Insurance and Indemnification

BLY will, and the Supporting Creditors agree to affirmatively support BLY in its:

- (a) maintenance of BLY's current director and officer insurance program and obligations, as set forth in the various deeds of indemnity, access, and insurance to which BLY is a party with its directors and officers, in order to ensure, among other things, that all director- and officer-related insurance policies will, upon any subsequent renewal, continue to provide for former directors coverage that is consistent in scope, quality and amount with that provided by existing policies, it being understood that no Supporting Creditor shall be obligated to bear in its individual capacity the cost of such insurance policy renewals; and
- (b) efforts to ensure that the BLY Creditors' Schemes will in no way alter or impair the indemnification and other rights afforded to the current and former directors and officers under the various deeds of indemnity, access, and insurance to which each is party with BLY.

17.4 Entire agreement

This agreement and any other documents referred to in this agreement or executed in connection with this agreement is the entire agreement of the parties about the subject matter of this agreement and supersedes all other representations, negotiations, arrangements, understandings or agreements and all other communications.

17.5 Further assurances

Each party must, at its own expense, whenever reasonably requested by another party, promptly do or arrange for others to do, everything reasonably necessary or desirable to give full effect to this agreement and the transactions contemplated by this agreement.

17.6 Independent Due Diligence and Decision Making

Each Supporting Creditor hereby confirms that it is:

- (a) a sophisticated party with respect to the matters that are the subject of this agreement;
- (b) has had the opportunity to be represented and advised by legal counsel in connection with this agreement and acknowledges and agrees that it voluntarily and of its own choice and not under coercion or duress enters into the agreement;
- (c) has adequate information concerning the matters that are the subject of this agreement;
- (d) has independently and without reliance upon any other party hereto, or any of their affiliates, or any officer, employee, agent or representative thereof, and based on such information as it has deemed appropriate, made its own analysis and decision to enter into this agreement, except that it has relied upon each other party's express representations, warranties, and covenants in this agreement; and

- (e) other than the BLY Warranties, has not relied upon any other representations and warranties of BLY in entering into this agreement.

17.7 Reporting of Supporting Debt

The parties agree and acknowledge that the reported amount of the Supporting Debt reflected in Schedule 1 of this agreement does not necessarily reflect the full amount of such Supporting Creditor's Supporting Debt (including principal, accrued and unpaid interest, fees and expenses) and any disclosure made in Schedule 1 of this agreement shall be without prejudice to any subsequent assertion by or on behalf of such Supporting Creditor of the full amount of its Supporting Debt.

17.8 Costs

After the Commencement Date, BLY agrees to pay in cash, in full on a monthly basis and, to the extent costs and expenses are outstanding for less than a month, no later than the End Date, all reasonable costs and out-of-pocket expenses relating to the Transaction incurred by:

- (a) CBP, including all invoiced fees and out-of-pocket expenses of:
 - (i) Kirkland & Ellis LLP;
 - (ii) MinterEllison;
 - (iii) any executive search firm engaged to identify suitable persons for nomination pursuant to the Director Appointment Agreement between BLY and Centerbridge associated entities on terms and conditions reasonably acceptable to BLY;
 - (iv) local Canadian counsel on terms and conditions reasonably acceptable to BLY;
 - (v) local counsel in the venues in which the BLY implements the Transaction; and
 - (vi) with BLY's consent, which shall not be unreasonably withheld, such other professionals that CBP deems reasonably necessary to consummate the Transaction; and
- (b) the AHG, including all fees and out-of-pocket expenses of
 - (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP;
 - (ii) Gilbert + Tobin and Clifford Chance, Sydney;
 - (iii) Jefferies LLC;
 - (iv) Korn Ferry on terms and conditions reasonably acceptable to BLY;
 - (v) Local Canadian counsel on terms and conditions reasonably acceptable to BLY;
 - (vi) local counsel in the venues in which the BLY implements the Transaction; and
 - (vii) with BLY's consent, which shall not be unreasonably withheld, such other professionals that the AHG deems reasonably necessary to consummate the Transaction.

On or prior to the Commencement Date, BLY shall pay all such fees and expenses that have been incurred as of or prior to the Commencement Date.

17.9 No merger

The warranties, other representations and promises by the parties in this agreement are continuing and will not merge or be extinguished on completion of this agreement.

17.10 Assignment

- (a) Except as permitted by this agreement, a party must not assign or otherwise transfer, create any charge, trust or other interest in, or otherwise Dispose of any other way with any of its rights under this agreement without the prior written consent of the other parties.
- (b) Clause 17.10(a) shall not apply to any assignment or transfer to any other party to this agreement or to any assignment or transfer in connection with a transaction in accordance with clause 9.1; provided that the Initial Supporting Creditors may not assign their rights hereunder as Initial Supporting Creditors.

17.11 Invalid or unenforceable provisions

If a provision of this agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

17.12 Waiver and exercise of rights

- (a) Except where waivers are expressly provided for otherwise, a waiver by a party of a provision of, or of a right under, this agreement that would have a materially adverse impact on BLY's and the Supporting Creditor's economic rights and entitlements under the Restructuring Term Sheet shall only be binding if granted, in writing, by each such party adversely affected.
- (b) Except where waivers are expressly provided for otherwise, a waiver by a party of a provision of, or of a right under, this agreement that would not have a materially adverse impact on BLY's and/or any Supporting Creditor's economic rights and entitlements under the Restructuring Term Sheet shall be binding (i) against BLY, if granted, in writing, by BLY and (ii) all Supporting Creditors, if granted, in writing, by all Initial Supporting Creditors, acting unanimously.
- (c) A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- (d) A single or partial exercise of a right by a party does not preclude another exercise of that right or the exercise of another right.
- (e) Failure by a party to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

17.13 Amendment

Without limiting any other provision of this agreement, including regarding waivers or where the consent of any party is provided for, this agreement may only be amended by a document signed BLY and each of the Initial Supporting Creditors. Notwithstanding the foregoing, the consent of each such affected Supporting Creditor shall also be required to effectuate any modification, amendment, waiver, or supplement of the agreement if the proposed modification, amendment, waiver, or supplement changes the economic treatment provided to such Supporting Creditor on account of any of its claims against any BLY Group Member.

17.14 Counterparts

This agreement may be signed in counterparts and all counterparts taken together constitute one document, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

17.15 Settlement Discussions; No Admission

This agreement and the Transaction are part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to United States Federal Rule of Evidence 408 and any applicable state rules of evidence, and any analogous rules under the laws of any other jurisdiction, this agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this agreement. This agreement shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any party of any claim or fault or liability or damages whatsoever.

17.16 Several, Not Joint, Claims

The agreements, representations, warranties, and obligations of the parties under this agreement are, in all respects, several and not joint.

17.17 Specific Performance/Remedies

It is understood and agreed by the parties that monetary damages would not be a sufficient remedy for any breach of this agreement by any party and each non-breaching party shall be

entitled to specific performance and injunctive or other equitable relief (including legal fees and costs) as a remedy for any such breach, in addition to any other remedy to which such non-breaching party may be entitled, at law or equity, without the necessity of proving the inadequacy of monetary damages as a remedy, including an order of the Australian Court, and any other "Australian court" as that term is defined in the Corporations Act or the U.S. Bankruptcy Court requiring any party to comply promptly with any of its obligations hereunder. Each party agrees to waive any requirement for the securing or posting of a bond or security for costs in connection with such remedy.

17.18 Rights cumulative

The rights, remedies and powers of the parties under this agreement are cumulative and do not exclude any other rights, remedies or powers.

17.19 Consents and approvals

A party may give its approval or consent conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this agreement expressly provides otherwise.

17.20 Successors and assigns

This agreement is binding on, and has effect for the benefit of, the parties and their respective successors and permitted assigns.

17.21 Governing law

This agreement is governed by the laws of the State of New South Wales.

17.22 Jurisdiction

Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of the State of New South Wales or the U.S. Bankruptcy Court; and
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

17.23 Service of process

Each party agrees that a document required to be served in proceedings about this agreement may be served:

- (a) by being delivered to or left at its address for service of notices under clause 14.1(a); or
- (b) in any other way permitted by law.

17.24 No third-party beneficiaries

Unless expressly stated herein, this agreement shall be solely for the benefit of the parties and no other person or entity shall be a third-party beneficiary of this agreement.

17.25 Waiver of right to trial by jury

Each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise, between any of the parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

Schedule 1– Warranties

Part A - Capacity Warranties

Each party represents and warrants to each other party that:

- (a) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this agreement and (subject to the fulfilment of the conditions to the implementation and consummation of the Transaction) it has taken all necessary action to authorise its entry into, delivery and performance of this agreement;
- (b) it has the power to own its assets and carry on its business as it is being, and is proposed to be, conducted;
- (c) it has taken all necessary action to authorise its entry into, delivery and performance of this agreement and to make this agreement admissible in evidence in its jurisdiction of incorporation and any jurisdiction in which it acts in relation to its Supporting Debt and (subject to the fulfilment of the conditions to the implementation and consummation of the Transaction) it has taken or will take all necessary actions to authorise its entry into the transactions contemplated by this agreement;
- (d) the party's obligations in relation to the transactions contemplated by this agreement constitute legal, valid, binding and enforceable obligations;
- (e) the entry into, delivery and performance by the party of this agreement does not result in a breach by such party:
 - (i) any material obligation of the party;
 - (ii) any applicable law or regulation; or
 - (iii) the party's constitution or other constituent documents of the party; and
- (f) the party is duly incorporated (if a corporate person) or duly established (in any other case) and validly existing under the laws of the jurisdiction of incorporation or formation.

Part B – BLY Warranties

BLY, Term Loan Issuer, Holdings, and BLY Issuer represent and warrant to all parties that:

- (a) BLY is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by BLY has been properly authorised by all necessary corporate action and BLY has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) this agreement constitutes legal, valid and binding obligations on BLY and the execution of this agreement of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which BLY or any of its Subsidiaries is a party or to which they are bound;
- (d) the BLY Information contained in each of the Explanatory Booklets will comply in all material respects with the requirements of the Corporations Act; and
- (e) as at the date:
 - (i) the Notice of Meeting (excluding the EGM Independent Expert Report) is despatched to BLY Shareholders in relation to the General Meeting; and
 - (ii) the Creditors' Scheme Explanatory Booklet is despatched to Creditors (excluding the Supporting Creditors Information and the Creditors' Schemes Independent Expert's Report) in relation to the Creditors' Schemes;

each of those documents will in each case not be misleading or deceptive in any material respect (whether by omission or otherwise); and

- (f) as at the date of this agreement, BLY is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A

to withhold any information from disclosure (other than in relation to the Transaction or as disclosed in writing to the Supporting Creditors on or before the date of this agreement);

- (g) as at the date of this agreement, the total issued capital of BLY is:
- (i) 88,511,800 Shares;
 - (ii) 2,012,403 Quoted Warrants;
 - (iii) 43,158 Options; and
 - (iv) 427,816 Unquoted Warrants,
- and there are no other BLY options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing);
- (h) as at the date of this agreement, there is no judgment, injunction, order or decree binding on any member of the BLY Group that has or would reasonably be expected to have the effect of prohibiting, materially restricting or materially impairing after the Completion Date any business of BLY Group as presently being conducted;
- (i) as at the date of this agreement, and other than any judgment, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal that may be made or entered into in connection with the Transaction, no member of the BLY Group, nor the assets, properties or business of any member of the BLY Group, is subject to any judgment, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal and so far as BLY is aware, and save for as disclosed in the BLY Disclosures:
- (i) there are no other material actions, suits, arbitrations, legal or administrative proceedings pending against any member of the BLY Group; and
 - (ii) no member of the BLY Group is the subject of any pending investigation; and
- (j) as at the date of this agreement, other than any determination to be sought in connection with the Transaction and save for as otherwise disclosed in the BLY Disclosures, neither ASIC nor ASX (as applicable) has made a determination against any member of the BLY Group for any contravention of the requirements of the Corporations Act or the Listing Rules or any rules, regulations or policy statements under the Corporations Act or the Listing Rules;
- (k) the New BLY Securities are being issued in reliance on Section 3(a)(10) of the Securities Act; and
- (l) to the extent that the commencing of, the entry into and implementation of the Transaction and the BLY Creditors' Schemes will give rise to any termination rights or any change of control consent rights under any material contracts, financing or other arrangements or licences to which BLY or any of its Subsidiaries is a party that will have the effect of creating any material business risk for BLY Group's operation, none of BLY, Term Loan Issuer, Holdings or BLY Issuer considers, in light of the relevant circumstances and relationship with that counterparty, that any counterparty to any such contract, financing or other arrangement is likely to exercise any such right.

Part C – Supporting Creditor Warranties

Each Supporting Creditor, severally, and not jointly, represents and warrants to all parties that:

- (a) with the exception of any FIRB Approval in connection with the Transaction, or as otherwise contemplated by the Transaction or this agreement, no notice to, registration with, consent or approval of or any other action by any relevant Government Agency is or will be required for it to execute, deliver and perform the party's obligations under this agreement;
- (b) it is the sole legal and beneficial owner of, and has good title to, all rights and obligations it purports to hold under the Relevant Finance Documents, free and clear of any Security Interest and it has not made any prior sale, transfer or sub-participation of its interest in the rights and obligations it purports to hold under the Relevant Finance Documents, which is subsisting at the Commencement Date or (if later) the date that it becomes a party to this agreement pursuant to a Joinder Agreement;
- (c) it is the beneficial owner of the face amount or unit amount, as applicable, of the Supporting Debt, or is the nominee, investment manager, or adviser for beneficial holders

of the Supporting Debt, as reflected, subject to clause 17.7 of this agreement, in Schedule 1, Part D, to this agreement, which amount each party understands and acknowledges is proprietary and confidential to such Supporting Creditor;

- (d) it does not directly or indirectly own or control any claims against or interests in BLY other than as identified below its name on its signature page hereof;
- (e) it has the full power and authority to act on behalf of, vote and consent to matters concerning the Supporting Debt (or direct such action, vote, or consent);
- (f) the Supporting Debts are free and clear of any lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any material respect such Supporting Creditor's ability to perform any of its obligations under this agreement at the time such obligations are required to be performed;
- (g) it is either (A) a qualified institutional buyer as defined in Rule 144A of the Securities Act or (B) an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act) (C) a non-U.S. person as defined under Regulation S, as amended; and
- (h) the Supporting Creditors Information contained in the each of the Explanatory Booklets or Notice of Meeting will comply in all material respects with the requirements of the Corporations Act and is not, to the knowledge of any Supporting Creditor, be misleading or deceptive in any material respect (whether by omission or otherwise).

Part D – Schedule of Supporting Debt

Institution	Term Loan A	Term Loan B	10.00% Senior Secured Notes due 2022	7.00% Senior Unsecured Notes due 2022
Centerbridge				
Ascribe				
Corre				
FPA				
Nut Tree				
HPS				
Ares				

Schedule 2– Restructuring Term Sheet

BOART LONGYEAR LIMITED

RESTRUCTURING TERM SHEET

This restructuring term sheet (the “**Term Sheet**”) summarizes certain terms and conditions of the proposed restructuring described below (the “**Restructuring**”). This Term Sheet is presented for discussion purposes only, does not constitute a commitment to provide, accept, or consent to any transaction or financing or otherwise create any implied or express legally binding or enforceable obligation of any party (or any Affiliate of any party), at law or in equity, to negotiate or enter into definitive documentation related to the Restructuring. This is the Term Sheet referred to in, and appended to, the Restructuring Support Agreement dated as of 12 May, 2021, by and among Boart Longyear Limited, Boart Longyear Management Pty Limited and the other parties signatory thereto (as amended, supplemented, or otherwise modified from time to time, the “**RSA**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the RSA.

THIS TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER TO SELL OR BUY, OR THE SOLICITATION OF AN OFFER TO SELL OR BUY, ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES AS TO ANY SCHEME OF ARRANGEMENT UNDER AUSTRALIAN LAW OR CHAPTER 11 PLAN UNDER U.S. LAW. ANY SUCH OFFER OR SOLICITATION WILL ONLY BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY, AND OTHER APPLICABLE LAWS.

This Term Sheet and the undertakings contemplated in connection with the proposed Restructuring described below are subject in all respects to the negotiation, execution, and delivery of definitive documentation in form and substance consistent with this Term Sheet and otherwise acceptable to each required party. This Term Sheet does not purport to summarize all of the terms, conditions, representations, warranties, and other provisions with respect to the Restructuring described herein, which Restructuring will be subject to the completion of the documents governing the Restructuring and incorporating the terms set forth herein.

This Term Sheet is provided as part of a settlement proposal in furtherance of settlement discussions and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any state law equivalents and any applicable statutes, doctrines, or rules protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.

This Term Sheet and the information contained in this Term Sheet are strictly confidential and may not be shared with any person other than as set forth in any confidentiality agreement between or among the Company and the creditor parties and/or their respective professional advisors.

SUMMARY OF PRINCIPAL TERMS OF PROPOSED RESTRUCTURING

This Term Sheet sets forth certain key terms of the proposed Restructuring with respect to the existing debt, equity interests and other obligations of Boart Longyear Limited (“**BLY**”) and each of its direct and indirect subsidiaries (collectively, the “**Company**”).

The Restructuring will be effected by:

- Two separate but interdependent creditors’ schemes under Part 5.1 of the *Corporations Act 2001* (Cth): (1) one for holders of secured TLA Claims, TLB

Claims, and SSN Claims (in each case not to exceed applicable caps on the secured portion of each of these claims); and (2) one for holders of unsecured TLA Claims, TLB Claims, SSN Claims and SUN Claims (together, the “**Creditors’ Schemes**”). Each Creditors’ Scheme will require approval from 75.1% in value and 50.1% majority in number of the creditors attending and voting at each of the scheme meetings and approval by the Australian Court;

- Shareholder approval to the issuance of New Common Equity of BLY, to the extent necessary to fully implement the Restructuring, under ASX Listings Rules 7.1 and 10.11, and s611 (item 7) of the *Corporations Act 2001* (Cth) at an extraordinary general meeting (“**EGM**”) requiring a 50.1% vote of non-associated shareholders (“**EGM Approval**”); and
- A US Chapter 15 recognition process to recognise the effect of the Creditors’ Schemes in the US.

The Restructuring contemplates, among other things:

- (i) (A) A new money investment in the form of new senior secured delayed draw term loan securities issued by the BLY Issuer (as defined below), with aggregate commitments of \$50 million, on the terms set forth in Exhibit A attached hereto, to be entered into and funded after execution of the RSA and satisfaction of certain conditions precedent set forth in the definitive documentation applicable hereto (the “**Incremental Financing**”) plus (B) the amount necessary to fully refinance the Existing Backstop ABL, the Incremental Financing, and, if determined to be commercially reasonable by the Company, CBP and the AHG, the amount needed to fully refinance the Existing PNC ABL (as applicable in either scenario, the “**Exit Financing**”);
- (ii) Issuance of one class of shares of new common equity (the “**New Common Equity**”) for distribution to creditors under the Creditors’ Schemes in an amount equal to 98.5% of the new common shares in BLY after the consummation of the Creditors’ Schemes (the “**Post-Schemes BLY**”) (pre-dilution for the New Warrants (as defined below) and any shares to be issued under the Share Purchase Plan (as defined below), the Creditor Share Purchase Plan (as defined below) and any management incentive plan);
- (iii) Issuance of new warrants (the “**New Warrants**”) for distribution to holders of SUN Claims under the Creditors’ Schemes to purchase shares of up to 10.0% of New Common Equity (pre-dilution for any shares to be issued under the Share Purchase Plan, the Creditor Share Purchase Plan and any management incentive plan), with a strike price per share that corresponds to an overall recovery to the holders of SSN Claims on account of their SSN Claims (excluding SSN Claims relating to the Applicable Premium), determined as of the RSA Date (defined below) including all accrued and unpaid interest, of 115.0%;
- (iv) Implementation of a new common equity share purchase plan (the “**Share Purchase Plan**”), under which, subject to an aggregate maximum cap of US\$2.5 million:
 - a. Existing BLY shareholders other than those shareholders associated with the Restructuring (“**Non-Associated Shareholders**”)¹ have the right to participate in respect of new common shares in Post-Schemes BLY at the same price as the New Common Equity, as agreed to by the Company and the Initial Supporting

¹ This includes all holders of common shares other than those shareholders who also hold any position in the Term Loan A, Term Loan B, Senior Secured Notes or Senior Unsecured Notes.

Creditors;

- b. To the extent the Share Purchase Plan is oversubscribed by Non-Associated Shareholders, participating Non-Associated Shareholders shall be scaled back such that they shall only be entitled to participate in their share of US\$2.5 million, calculated by reference to the allocation principles applicable under the Share Purchase Plan;
 - c. To the extent the Share Purchase Plan is undersubscribed, the remaining shares shall be offered (at the same price) under, and in accordance with the terms of, the Creditor Share Purchase Option, by way of an increase to the aggregate maximum cap designated in respect thereof; and
 - d. The rights to participate in the Share Purchase Plan shall not be transferable.
 - e. The proceeds from the Share Purchase Plan shall be applied to pay down the balance owing under the Existing PNC ABL (to the extent that the Existing PNC ABL is not fully refinanced by the Exit Financing).
- b. Implementation of a new common equity share purchase option to be included in connection with the Creditors' Schemes (the "**Creditor Share Purchase Option**"), under which, subject to an aggregate maximum cap of US\$2.5 million (as increased by the extent of any Share Purchase Plan undersubscription):
- a. Each holder of a SUN Claim shall be offered the right to purchase its pro rata share of new common shares in Post-Schemes BLY, calculated based upon 100% of the face amount of the SUN Claims held by holders of SUN Claims that elect to take up the Creditor Share Purchase Option at the same price as the New Common Equity, as agreed to by the Company and the Initial Supporting Creditors, determined as of the record date for voting purposes under the Creditors Schemes (the "**Scheme Record Date**");
 - b. To the extent the Creditor Share Purchase Option is undersubscribed, the remaining shares shall be offered (at the same price) to participating holders of the TLA Claims, TLB Claims or SSN Claims receiving the New Common Equity under the Creditors' Schemes, subject to the same allocations as the New Common Equity to be issued to holders of such claims under the Creditors' Schemes;
 - c. The rights to participate in the Creditor Share Purchase Option shall be transferable at any time up to a record date (to be determined by BLY with the consent of each of CBP and the AHG), provided that the transferee accedes to the RSA (to the extent they are not already a party to the RSA in respect of the Creditor Share Purchase Option); and
 - d. Ineligible foreign holders may have to be excluded if the offering requirements prohibit or make impracticable participation by such holders.
 - e. The proceeds from the Creditor Share Purchase Option shall be applied to pay down the balance owing under the Existing PNC ABL (to the extent that the Existing PNC ABL is not fully refinanced by the Exit Financing).
- c. Applicable treatments of creditor and equity classes and other Restructuring terms as set forth below:

TREATMENT OF CLAIMS AND INTERESTS

Existing PNC ABL	<p>Existing PNC ABL means the Amended and Restated Revolving Credit and Security Agreement, dated July 23, 2017, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among PNC Bank National Association as lender and as agent, Boart Longyear Management PTY Limited (“BLY Issuer”) as a borrower, the other borrowers party thereto and the guarantors party thereto.</p> <p>Existing PNC ABL Claims means any claims derived from, based upon, or arising under the Existing PNC ABL loan documents.</p> <p>Treatment: Unless refinanced in full by the Exit Financing, remains in place, subject to maturity extension and any other modifications to be negotiated with lenders, in either case in full and final satisfaction of all Existing PNC ABL Claims.</p>
Existing Backstop ABL	<p>Existing Backstop ABL means the Term Loan Securities Agreement, dated as of July 23, 2017, by and among BLY Issuer, as issuer, the guarantors party thereto, Wilmington Trust, National Association, as administrative agent, and the purchasers party thereto, providing for the issuance of term loan securities due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.</p> <p>Existing Backstop ABL Claims means any claims derived from, based upon, or arising under the Existing Backstop ABL loan documents.</p> <p>Treatment: Unless refinanced in full by the Exit Financing, remains in place, subject to maturity extension and any other modifications to be negotiated with lenders, in either case in full and final satisfaction of all Existing Backstop ABL Claims.</p>
Incremental Financing	<p>Incremental Financing means the Term Loan Securities Agreement to be entered into by and among BLY Issuer, as issuer, the guarantors party thereto, the purchasers party thereto, Wilmington Trust, National Association, as administrative agent and U.S. Bank, National Association, as collateral agent, and providing for the issuance of term loan securities due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.</p> <p>Incremental Financing Claims means any claims derived from, based upon, or arising under the Incremental Financing loan documents.</p> <p>Treatment: Unless refinanced in full by the Exit Financing, remains in place, subject to maturity extension and any other modifications to be negotiated with lenders, in either case in full and final satisfaction of all Incremental Financing Claims.</p>
Term Loan A	<p>Term Loan A means the Term Loan A Securities Agreement, dated as of December 31, 2018, by and among BL Capital Management LLC (“BLCM”), as issuer, the guarantors party thereto, Wilmington Trust, National Association, as administrative agent, and the purchasers party thereto, providing for the issuance of term loan securities due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.</p>

TLA Claims means any claims derived from, based upon, or arising under the Term Loan A loan documents. The aggregate face amount of the secured portion of all TLA Claims determined as of the Commencement Date (as defined in the RSA) (the “**RSA Date**”) shall, for purposes of calculating the TLA Secured Equity Entitlement (as defined below), be stipulated among the parties to be set in the amount of US\$85,000,000.00, and the aggregate face amount of the unsecured portion of all TLA Claims determined as of the RSA Date shall, for purposes of calculating the TLA Unsecured Equity Entitlement, be stipulated among the parties to be set in the amount of US\$75,336,984.87.

Treatment: In exchange for the full and final satisfaction, settlement, release and discharge of the TLA Claims, each holder of a TLA Claim shall receive its:

- (a) Pro rata share of the TLA Secured Equity Entitlement, calculated based upon the total secured portion of its TLA Claim determined as of the Scheme Record Date;
- (b) Pro rata share of the TLA Unsecured Equity Entitlement, calculated based upon the total unsecured portion of its TLA Claim determined as of the Scheme Record Date,

where the "**TLA Secured Equity Entitlement**" means the pro rata share of New Common Equity, calculated based upon 100% of the face amount of the secured portion of the TLA Claims, determined as of the RSA Date and the "**TLA Unsecured Equity Entitlement**" means the pro rata share of the New Common Equity, calculated based upon 25% of the face amount of the unsecured portion of the TLA Claims, determined as of the RSA Date; and

- (c) Allocation, if any, of New Common Equity available to it under the Creditor Share Purchase Option (including as a result of any undersubscription for the Share Purchase Plan).

Term Loan B

Term Loan B means the Term Loan B Securities Agreement, dated as of December 31, 2018, by and among BLCM, as issuer, the guarantors party thereto, Wilmington Trust, National Association, as administrative agent, and the purchasers party thereto, providing for the issuance of term loan securities due 2022, as amended, varied, or amended and restated from time to time, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

TLB Claims means any claims derived from, based upon, or arising under the Term Loan B loan documents. The aggregate face amount of the secured portion of all TLB Claims determined as of the RSA Date shall, for purposes of calculating the allocation of the TLB Secured Equity Entitlement (as defined below), be stipulated among the parties to be set in the amount of US\$105,000,000, and the aggregate face amount of the unsecured portion of all TLB Claims determined as of the RSA Date shall, for purposes of calculating the allocation of the TLB

Unsecured Equity Entitlement (as defined below), be stipulated among the parties to be set in the amount of US\$88,285,306.60.

Treatment: In exchange for the full and final satisfaction, settlement, release and discharge of the TLB Claims, each holder of a TLB Claim shall receive its:

- (a) Pro rata share of the TLB Secured Equity Entitlement (as defined below), calculated based upon the total secured portion of its TLB Claims, determined as of the Scheme Record Date;
- (b) Pro rata share of the TLB Unsecured Equity Entitlement (as defined below), calculated based upon the total unsecured portion of its TLA Claim, determined as of the Scheme Record Date,

where the "**TLB Secured Equity Entitlement**" means the pro rata share of New Common Equity, calculated based upon 100% of the face amount of the secured portion of the TLB Claims, determined as of the RSA Date and the "**TLB Unsecured Equity Entitlement**" means the pro rata share of the New Common Equity, calculated based upon 25% of the face amount of the unsecured portion of the TLB Claims, determined as of the RSA Date; and

- (c) Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option (including as a result of any undersubscription for the Share Purchase Plan).

Senior Secured Notes

Senior Secured Notes means the notes issued under that certain Indenture, dated September 27, 2013, by and among the BLY Issuer, as issuer, the guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, providing for the issuance of 14.5% / 12.0% / 10.0% senior secured PIK toggle notes due 2022, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

SSN Claims means any claims derived from, based upon, or arising under the Senior Secured Notes Indenture or other related documents. The aggregate face amount of the secured portion of all SSN Claims determined as of the RSA Date shall, for purposes of calculating the allocation of the SSN Secured Equity Entitlement (as defined below), be stipulated among the parties to be set in the amount of US\$303,567,773.87², and the aggregate face amount of the unsecured portion of all SSN Claims determined as of the RSA Date shall, for purposes of calculating the SSN Unsecured Equity Entitlement (as defined below), be stipulated among the parties to be set in the amount of US\$44,924,586.44³.

² This amount of US\$303,567,773.87 is comprised of US\$302,909,840.93 core Senior Secured Notes (consented to June 2020 amendment) and US\$657,932.94 stub Senior Secured Notes (did not consent to June 2020 amendment)

³ This amount US\$44,924,586.44 is comprised of US\$44,830,656.46 core Senior Secured Notes (consented to June 2020 amendment) and US\$93,929.98 stub Senior Secured Notes (did not consent to June 2020 amendment)

Treatment: In exchange for the full and final satisfaction, settlement, release and discharge of the SSN Claims, each holder of a SSN Claim shall receive its:

- (a) Pro rata share of the SSN Secured Equity Entitlement, calculated based upon the total secured portion of its SSN Claim, determined as of the Scheme Record Date;
- (b) Pro rata share of the SSN Unsecured Equity Entitlement, calculated based upon of the total unsecured portion of its SSN Claim, determined as of the Scheme Record Date,

where the "**SSN Secured Equity Entitlement**" means the pro rata share of New Common Equity, calculated based upon 100% of the face amount of the secured portion of the SSN Claims, determined as of the RSA Date and the "**SSN Unsecured Equity Entitlement**" means the pro rata share of the New Common Equity, calculated based upon 25.0% of the face amount of the unsecured portion of the SSN Claims, determined as of the RSA Date, and

- (c) Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option (including as a result of any undersubscription for the Share Purchase Plan).

Senior Unsecured Notes

Senior Unsecured Notes means those notes issues under that certain Indenture, dated March 28, 2011, by and among BLY Issuer, as issuer, the guarantors party thereto, and Delaware Trust Company, as trustee, providing for the issuance of 1.50% unsecured subordinated PIK notes due 2022, as amended, varied, or amended and restated from time to time, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

SUN Claims means any claims derived from, based upon, or arising under the Senior Unsecured Notes Indenture or other related documents. The aggregate face amount of all SUN Claims determined as of the RSA Date shall, for purposes of calculating the allocation of the SUN Equity Entitlement, be stipulated among the parties to be set in the amount of US\$93,944,522.71.

Treatment: In exchange for the full and final satisfaction, settlement, release and discharge of the SUN Claims, each holder of a SUN Claim shall receive its:

- (a) Pro rata share of the SUN Equity Entitlement, calculated based upon 100% of the face amount of the SUN Claims, determined as of the Scheme Record Date. For the purposes of this paragraph, **SUN Equity Entitlement** means the pro rata share of New Common Equity, calculated based upon 22.5% of the face amount of its SUN Claims, determined as of the RSA Date;
- (b) Pro rata share of the New Warrants, distributed solely to the holders of SUN Claims, calculated based upon 100% of the face amount of the SUN Claims, determined as of the Scheme Record Date; and
- (c) Allocation, if any, of new common shares available to it under the Creditor Share Purchase Option (including as a result of any

undersubscription for the Share Purchase Plan).

General Unsecured Claims (excluding the unsecured portion of the TLA Claims, TLB Claims and SSN Claims and the SUN Claims) General Unsecured Claims will not be impaired by the Restructuring and will continue to be paid by the Company in the ordinary course of business.

Intercompany Claims and Interests Intercompany claims and interests will not be impaired by the Restructuring.

Existing Common Shares Each holder of existing common shares in BLY shall:

- (a) retain its pro rata share of the 1.5% of the common equity in Post-Schemes BLY remaining after the issuance of the New Common Equity; and
- (b) provided it is a Non-Associated Shareholder, have the right to participate in the Share Purchase Plan as described herein.

Existing Warrants and Options to Purchase Common Shares Each holder of existing warrants or options to purchase common shares in BLY shall retain those warrants or options, in all cases subject to dilution by the New Common Equity, the New Warrants, and any shares to be issued under the Share Purchase Plan (as defined below), the Creditor Share Purchase Plan (as defined below) and any management incentive plan. Such existing warrants and options may be subject of an Assumption Deed if the Redomiciliation is implemented.

OTHER TERMS OF THE RESTRUCTURING

Corporate Governance The initial and subsequent Post-Schemes BLY Board of Directors shall consist of 9 directors, which will comprise the following:

- The Chief Executive Officer;
- 5 Directors to be nominated by Centerbridge associated entities (or funds managed by, Centerbridge associated entities) in conformity with the Company’s constitution and a Director Appointment Agreement entered into by the Centerbridge nominating parties with BLY or New BLY Parent (as the case may be); and
- 3 Directors to be nominated by the AHG collectively, with each such designation to require a 66.7% vote (in New Common Equity holdings) among members of the AHG, in conformity with the Company’s constitution and the Director Appointment Agreements entered into by the AHG with BLY or New BLY Parent (as the case may be).

Sunset of director nomination rights specified herein upon sell-down at ownership thresholds to be agreed in accordance with the Director Appointment Agreements.

BLY must ensure the form of the Director Appointment Agreements are in a form agreed by the parties prior to execution of the RSA.

The Directors shall possess significant industry, financial, legal and/or business expertise, independence, diversity and other characteristics necessary or appropriate to satisfy all applicable listing standards.

The Post-Schemes BLY Board of Directors will contract with strategic consultants or other professionals to conduct a strategic review of the Company's business, operations and prospects, with such review to be completed within 4 months of the consummation of the Creditors' Schemes and will include, without limitation, consideration of the ability to separate the Products business.

The Post-Schemes BLY Board of Directors shall determine management incentive plan structure, allocations and awards.

If the Redomiciliation does not proceed then the entitlements in this Corporate Governance section are subject to shareholder approval.

If the Redomiciliation is implemented, the parties shall use reasonable endeavours to take steps to ensure that this Corporate Governance section is compliant with the laws of the Agreed Jurisdiction (as defined in the RSA) and make any appropriate changes to this Corporate Governance section to reflect the laws of the Agreed Jurisdiction.

Public Company

Immediately following implementation of the Creditors' Schemes, the Post-Schemes BLY shall remain as a public company with the New Common Equity quoted on the ASX or, if the Redomiciliation is implemented, the relevant new holding company of BLY will have its securities quoted on the ASX (through the issue of depositary interests).

Redomiciliation

The Company will proceed with a members' scheme of arrangement under section 411 of the *Corporations Act* and take all steps to effectuate the Redomiciliation, as described in the Restructuring Support Agreement.

In addition, in conjunction with the Redomiciliation and conditional on the Redomiciliation Scheme Resolution being passed, BLY shall offer a selective buy-back of up to US\$500,000 to purchase small parcels of existing common shares worth less than AU\$3,000 from Non-Associated Shareholders on terms and pricing to be determined by BLY.

Releases and Exculpation

The Restructuring shall provide customary mutual release, exculpation, and injunction provisions for the Company and its directors and management, for the holders of Existing Backstop ABL Claims, TLA Claims, TLB Claims, SSN Claims and SUN Claims, and for the Initial Supporting Creditors (as defined in the RSA) (in their capacity as such).

Tax Structure

To the extent practicable, the Restructuring shall be structured in a tax efficient manner.

Exhibit A

Summary of Terms and Conditions for \$50,000,000 Bridge Term Loan Financing

Key Indicative Terms	
Borrower:	Boart Longyear Management Pty Limited (the " <u>Company</u> ")
Lenders:	Certain investment funds or affiliated entities managed by each of Corre Partners Management, LLC (" <u>Corre</u> "), First Pacific Advisors, LP (" <u>FPA</u> ") and Nut Tree Capital Management (together with Corre and FPA, the Bridge " <u>Lenders</u> ")
Agent:	Wilmington Trust, National Association as Administrative Agent, U.S. Bank, National Association as Collateral Agent
Type of Financing:	Senior secured delayed draw term loan (" <u>New Financing</u> ") with documentation to be based on the Existing Backstop ABL (the " <u>Existing Backstop ABL</u> ")
Commitment Amount:	\$50,000,000 (the " <u>Commitment</u> ")
New Financing Structure:	<p>The New Financing will provide funding in an aggregate principal amount of up to the Commitment, comprised of:</p> <p><u>Initial Draw</u>: At closing of this transaction, the Company will draw a minimum of \$30,000,000</p> <p><u>Delayed Draw Options</u>: After the initial draw, the Company will have up to two additional draws subject to a minimum of \$10,000,000 per draw</p>
Maturity Date:	December 31, 2021
Annual Interest Rate:	<p><u>Drawn Funds</u>: interest payable monthly at 11.00%, payable in kind (PIK), or 10.00% cash at the Company's option</p> <p><u>Undrawn Amount</u>: Annual fee of 1.50% on undrawn amount payable monthly, payable in kind (PIK) or cash at the Company's option</p> <p><u>PIK Toggle</u>: The Company shall have the right to choose between PIK or cash payment option each month</p>
Commitment / Origination Fee:	None
Call Protection:	Limited to the following scenarios:

Key Indicative Terms	
	<p>101% in the event PNC ABL is upsized to refinance the New Financing within the first 60 days after closing – call protection would apply to the sum of the drawn amount plus the cancelled commitment amount</p> <p>103% if the New Financing is refinanced prior to implantation of the schemes by a third party lender or a financing other than by PNC</p>
Guarantee / Security:	<p>The New Financing will be guaranteed by the same Obligors as the Existing Backstop ABL and secured by the same collateral as the Existing Backstop ABL, with priority as follows:</p> <p>a) Working Capital Assets: Junior to PNC, pari passu with the Existing Backstop ABL and senior to the TLA, TLB and Senior Secured Notes b) Non-Working Capital Assets: Priming all creditors other than the non-consenting Senior Secured Noteholders (who will be pari passu with the New Financing on such assets)</p>
Key Terms and Conditions:	<p>Subject to an executed Restructuring Support Agreement (the “<u>RSA</u>”) and other conditions precedent on substantially the same terms as the Existing Backstop ABL documentation and reflecting the transactions contemplated by the RSA.</p>
Mandatory Prepayments:	<p>The New Financing shall contain mandatory prepayment events substantially consistent with the Existing Backstop ABL documentation.</p>
Voluntary Prepayments:	<p>The New Financing may be permanently prepaid in full by the Borrower at any time, subject to the premium set forth under the heading “Call Protection” above.</p>
Representations:	<p>The New Financing shall contain those representations and warranties as are substantially consistent with the Existing Backstop ABL documentation and reflecting the transactions contemplated by the RSA.</p>
Affirmative Covenants:	<p>The New Financing shall contain affirmative covenants on substantially the same terms as the Existing Backstop ABL documentation and reflecting the transactions contemplated by the RSA.</p>

Key Indicative Terms	
Negative Covenants:	<p>The New Financing shall contain negative covenants on substantially the same terms as the Existing Backstop ABL documentation and reflecting the transactions contemplated by the RSA, including:</p> <ol style="list-style-type: none"> 1) No paydown of Existing Backstop ABL unless the New Financing is paid down; and 2) Majority of Bridge Lenders' approval required for incremental financings / other indebtedness unless: (1) incremental financings in total are less than \$5,000,000 collectively; or (2) financing in question is used to repay the entire New Financing.
Financial Covenants:	None.
Events of Default:	The New Financing shall contain events of default substantially consistent with the Existing Backstop ABL documentation and reflecting the transactions contemplated by the RSA.
Governing Law:	New York law shall govern the New Financing documentation.
Expenses:	The Company will pay all reasonable and documented costs and expenses of the Bridge Lenders associated with this transaction, subject to a cap of \$375,000.

Schedule 3 – Milestones

1. The Explanatory Booklets, the Redomiciliation Explanatory Booklet, the Notice of Meeting and the Independent Expert's Reports shall be lodged with ASIC/ASX by no later than 9 June 2021.
2. The AHG and CBP procuring that the directors nominated pursuant to the Director Appointment Agreement give to BLY and New BLY Parent notice of their candidature, consents to act and all necessary background checks for ASX admission purposes by no later than 30 June 2021.
3. The originating process for the BLY Creditors' Schemes Meetings and the General Meeting for the Redomiciliation shall be lodged with the Australian Court (this will include an application to be filed in the Australian Court for an order under section 411(16) of the Corporations Act) by no later than 23 July 2021.
4. The First Court Date for the BLY Creditors' Schemes Meetings and the Redomiciliation Scheme Meeting shall occur by no later than 30 July 2021 (this will include an application to be filed in the Australian Court for an order under section 411(16) of the Corporations Act).
5. The Notice of Meeting, Independent Expert's Report and the Redomiciliation Explanatory Booklet are despatched to shareholders by no later than 6 August 2021.
6. BLY and its Subsidiaries shall commence the Chapter 15 Cases no later than 17 August 2021.
7. The BLY Creditors' Schemes Meetings shall occur and conclude by no later than 13 September 2021.
8. The General Meeting shall occur by no later than 13 September 2021, including approving the Transaction Resolutions and the Redomiciliation Scheme Resolutions.
9. The Second Court Date shall occur and conclude by no later than 27 September 2021. By no later than 8:00 am AEST on the Second Court Date:
 - (a) **Regulatory Approvals - ASIC and ASX:** ASIC and ASX issue or provide, or indicate that they will so provide them in a Scheme Meeting, all consents or approvals, and do all other acts, necessary to implement the Transaction, and the Redomiciliation, and such consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked;
 - (b) **Regulatory Approvals - other:** any other approvals or consents that are required by law, or by any Government Agency, to implement the Transaction, and the Redomiciliation, other than the approval by the Australian Court of the Secured Creditors' Schemes and Unsecured Creditors' Schemes, are obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same; and
 - (c) **FIRB Approval:** any approval or consents required from the Treasurer (or the Treasurers delegate) as contemplated in Conditions 1 and 2 of Clause 5.1 of this agreement have been obtained.
10. BLY lodges orders of the Court made on Second Court Date with ASIC no later than 1 October 2021.
11. By no later than 31 October 2021 (**Completion Date**):
 - (a) all steps contemplated by BLY Creditors' Schemes shall be implemented;
 - (b) all steps contemplated by Redomiciliation Scheme shall be implemented assuming the requisite shareholder approval has been obtained; and
 - (c) all other steps and requirements contemplated by the Transaction shall be implemented.

Schedule 4- Joinder Agreement

Joinder Agreement

[____], 2021

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of [____], 2021, a copy of which is attached hereto as Annexure I (as it may be amended, supplemented, or otherwise modified from time to time, the "**Restructuring Support Agreement**"),¹ by and among BLY and the Supporting Creditors.

1. Agreement to be Bound. The Transferee hereby agrees to be bound by all of the terms of the Restructuring Support Agreement. The Transferee shall hereafter be deemed to be a "Supporting Creditor" and a "Party" for all purposes under the Restructuring Support Agreement.

2. Representations and Warranties. With respect to the aggregate Backstop ABL Claims, Term Loan A Claims, Term Loan B Claims, Secured Notes Claims, and Unsecured Notes Claims set forth below its name on the signature page hereof, the Transferee hereby represents and warrants that it is (a) the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the claims identified below its name on the signature page hereof, and (b) makes the representations and warranties of the Supporting Creditors set forth in clause [12] of the Restructuring Support Agreement to each other Party.

3. Governing Law. This joinder agreement (the "**Joinder Agreement**") to the Restructuring Support Agreement shall be governed by and construed in accordance with the internal laws of the State of New South Wales, without regard to any conflicts of law provisions which would require or permit the application of the law of any other jurisdiction.

4. Notices. All notices and other communications given or made pursuant to the Restructuring Support Agreement shall be sent to the Transferee at:

[Transferee]

[Address:]

Attn: []

E-Mail: []

* * * * *

[Remainder of Page Intentionally Left Blank]

¹ Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Restructuring Support Agreement.

IN WITNESS WHEREOF, the Transferee has caused this Joinder Agreement to be executed as of the date first written above.

Name of Transferor: _____

Name of Transferee: _____

By: _____

Name: _____

Title: _____

Amount of Backstop ABL Transferred (if any): \$ _____

Amount of Term Loan A Transferred (if any): \$ _____

Amount of Term Loan B Transferred (if any): \$ _____

Amount of Secured Notes Transferred (if any): \$ _____

Amount of Unsecured Notes Transferred (if any): \$ _____

Notice Address:

Attention: _____

With a copy to:

Attention: _____

Schedule 5 - Relevant Finance Documents

No.	DOCUMENT NAME	DOCUMENT DATE
BACKSTOP ABL		
FACILITY AGREEMENTS		
1.	Term Loan Securities Agreement	23 July 2017
2.	First Amendment to Term Loan Securities Agreement	5 August 2017
3.	Second Amendment to Term Loan Securities Agreement	31 August 2017
4.	Third Amendment to Term Loan Securities Agreement	24 July 2019
5.	Fourth Amendment to Term Loan Securities Agreement	19 March 2020
SECURITY AGREEMENTS		
6.	General Security Deed (Australia)	31 August 2017
7.	Security and Pledge Agreement (U.S.)	1 September 2017
8.	Security and Pledge Agreement (Canada)	1 September 2017
9.	Pledge over Fixed Assets (Chile)	1 December 2017
10.	Pledge over Inventory (Chile)	1 December 2017
11.	General Security Deed (Australia)	31 December 2018
TERM LOAN A		
FACILITY AGREEMENTS		
12.	Term Loan A Securities Agreement	31 December 2018
13.	First Amendment to Term Loan A Securities Agreement	17 July 2019
14.	Second Amendment to Term Loan A Securities Agreement	24 June 2020
SECURITY AGREEMENTS		
15.	Term Loan A General Security Deed	22 October 2014
16.	Term Loan A U.S. Security and Pledge Agreement	22 October 2014
17.	Term Loan A Canadian Security and Pledge Agreement	22 October 2014
18.	Term Loan A Canadian Demand Debenture	22 December 2014
19.	Pledge over Goods in Transit (Chile)	10 April 2018
20.	Pledge over Goods in Transit (Chile)	11 September 2018
21.	Pledge over Goods in Transit (Chile)	24 September 2018
22.	General Security Deed (Australia)	31 December 2018
23.	Security and Pledge Agreement (U.S.)	31 December 2018
24.	Security and Pledge Agreement (Canada)	31 December 2018
25.	Restatement Amendment Agreement relating to the Assignment Agreement (receivables) (Switzerland)	31 December 2018
26.	Restatement Amendment Agreement relating to the Bank Account Assignment Agreement (Switzerland)	31 December 2018
27.	Pledge over Inventory (Chile)	31 December 2018
28.	Pledge over Fixed Assets (Chile)	31 December 2018
29.	Pledge over Assets (Peru)	31 December 2018
30.	Pledge over Shares (Peru)	31 December 2018
CREDIT AGREEMENTS		

31.	Term Loan A Credit Agreement, as amended or amended and reinstated from time to time	22 October 2014
TERM LOAN B		
FACILITY AGREEMENTS		
32.	Term Loan B Securities Agreement	31 December 2018
33.	First Amendment to Term Loan B Securities Agreement	17 July 2019
34.	Second Amendment to Term Loan B Securities Agreement	24 June 2020
SECURITY AGREEMENTS		
35.	Term Loan B General Security Deed	22 October 2014
36.	Term Loan B U.S. Security and Pledge Agreement	22 October 2014
37.	Term Loan B Canadian Security and Pledge Agreement	22 October 2014
38.	Term Loan B Canadian Demand Debenture	22 December 2014
39.	Pledge over Goods in Transit (Chile)	10 April 2018
40.	Pledge over Goods in Transit (Chile)	11 September 2018
41.	Pledge over Goods in Transit (Chile)	24 September 2018
42.	General Security Deed (Australia)	31 December 2018
43.	Security and Pledge Agreement (U.S.)	31 December 2018
44.	Security and Pledge Agreement (Canada)	31 December 2018
45.	Pledge over Inventory (Chile)	31 December 2018
46.	Pledge over Fixed Assets (Chile)	31 December 2018
47.	Pledge over Assets (Peru)	31 December 2018
48.	Pledge over Shares (Peru)	31 December 2018
CREDIT AGREEMENTS		
49.	Term Loan B Credit Agreement, as amended or amended and reinstated from time to time	22 October 2014
SENIOR SECURED NOTES		
FACILITY AGREEMENTS		
50.	Indenture	27 September 2013
51.	First Supplemental Indenture	31 August 2017
52.	Second Supplemental Indenture	18 September 2017
53.	Third Supplemental Indenture	31 December 2018
54.	Fourth Supplemental Indenture	17 July 2019
55.	Fifth Supplemental Indenture	24 June 2020
SECURITY AGREEMENTS		
56.	Security and Pledge Agreement (U.S.)	27 September 2013
57.	Secured Notes Indenture U.S. Security Agreement	27 September 2013
58.	Security and Pledge Agreement (Canada)	27 September 2013
59.	Secured Notes Indenture Canadian Security Agreement	27 September 2013
60.	Secured Notes Indenture General Security Deed	27 September 2013
61.	General Security Deed (Australia)	2013 (otherwise undated)
62.	Pledge over Fixed Assets (Chile)	13 February 2015
63.	Pledge over Inventory (Chile)	13 February 2015
64.	Pledge over Shares (Peru)	13 February 2015
65.	Pledge over Assets (Peru)	12 March 2015
66.	Pledge over Shares (Peru)	12 March 2015

67.	Pledge over Shares (Peru)	31 December 2015
68.	Pledge over Assets (Peru)	2 November 2016
69.	Pledge over Goods in Transit (Chile)	10 April 2018
70.	Pledge over Assets (Peru)	2 March 2018
71.	Pledge over Assets (Peru)	26 July 2018
72.	Pledge over Goods in Transit (Chile)	11 September 2018
73.	Pledge over Goods in Transit (Chile)	24 September 2018
74.	Pledge over Assets (Peru)	10 December 2018
75.	General Security Deed (Australia)	31 December 2018
76.	Pledge over Assets (Peru)	31 December 2018
77.	Pledge over Shares (Peru)	31 December 2018
SENIOR UNSECURED NOTES		
FACILITY AGREEMENTS		
78.	Indenture	28 March 2011
79.	First Supplemental Indenture	14 June 2013
80.	Second Supplemental Indenture	27 September 2013
81.	Third Supplemental Indenture	2 April 2017
82.	Fourth Supplemental Indenture	31 August 2017
83.	Fifth Supplemental Indenture	18 September 2017
84.	Sixth Supplemental Indenture	31 December 2018
85.	Seventh Supplemental Indenture	17 July 2019
86.	Eighth Supplemental Indenture	15 June 2020
INTERCREDITOR ARRANGEMENTS		
	Intercreditor Agreement (SSNs)	27 September 2013
88.	Joinder Agreement (Term Loan A to SSN Intercreditor Agreement)	22 October 2014
89.	Joinder Agreement (Term Loan B to SSN Intercreditor Agreement)	22 October 2014
90.	Subordination Agreement (Notes/TLA/TLB)	31 August 2017
91.	Second Amended and Restated Intercreditor Agreement (ABL/Backstop/TLA)	1 September 2017
92.	Amended and Restated Intercreditor Agreement (Backstop/TLA)	1 September 2017
93.	Joinder Agreement (Term Loan A to SSN Intercreditor Agreement)	31 December 2018
94.	Joinder Agreement (Term Loan B to SSN Intercreditor Agreement)	31 December 2018
95.	Joinder Agreement (TLA to ABL/Backstop/TLA Intercreditor Agreement)	31 December 2018
96.	Joinder Agreement (TLA to Backstop/TLA Intercreditor Agreement)	31 December 2018
DDTL		
97.	DDTL	4 January 2017
98.	DDTL General Security Deed	4 January 2017
99.	DDTL Canadian Security and Pledge Agreement	4 January 2017
100.	DDTL U.S. Security and Pledge Agreement	4 January 2017

Schedule 6 – Exemptions to Proscribed Events

- a) **Change in capital structure of BLY or its subsidiaries**
- As part of efficient intercompany financing, interest rates on intercompany debt may be adjusted, including to 0%, and intercompany debt may be capitalized, forgiven or assigned among members, in accordance with company practice.
 - Non-guarantor subsidiaries may be merged or liquidated within the group or subsidiary stock may be transferred within the group to meet local legal requirements or operating needs.
- b) **Conversion of shares of BLY or its subsidiaries**
- Other than as listed in this schedule, none.
- c) **BLY or subsidiaries reclassifying, redeeming, repurchasing share capital**
- Other than as listed in this schedule, none.
- d) **BLY or subsidiaries conducting a buy-back under the Corporations Act**
- Other than to give effect to the Transaction, or as listed in this schedule, none.
- e) **BLY or any of its subsidiaries declaring or paying any dividend, bonus, share of profits or returning capital or assets to “members”**
- See "a)" above.
 - Distributions among subsidiaries of BLY to its members may be made to clear intercompany debt in accordance with company practice and in the ordinary course of business or as required by local law.
 - Distributions may be made in liquidation of subsidiaries as noted in "n)" below.
- f) **BLY or any of its subsidiaries issuing shares, or granting an option over their shares, or agreeing not make such an issue or grant such an option**
- See "a)" and "e)" above.
 - Shares may be issued by any of BLY's subsidiaries where required when intercompany debt is capitalized pursuant to "a)".
- g) **BLY or its subsidiaries issuing securities, or other instruments convertible into shares or debt securities**
- None.
- h) **Disposal of assets other than in the ordinary course or otherwise approved by the Supporting Creditors**
- BLY has classified certain property, plant and equipment assets in the amount of \$0.4 million as held for sale as at 31 December 2020. These assets consist primarily of excess rigs and ancillary equipment.
- i) **Creation of security interests over assets other than Permitted Security Interests**
- None.
- j) **Agreements or arrangements (other than in the ordinary course) (i) Involving the payment of \$100K individually or \$250K in the aggregate; or (ii) Involving the performance of an obligation “by the party” to a third party which extends beyond 90 days**
- See "h)", above.
- k) **Commencement of chapter 11 or bankruptcy cases**
- Certain US entities will enter into a Chapter 15 filing in the US in connection with the Transaction.

- l) **Entry into derivative transactions**
- None.
- m) **Incurrence of, or liability for, Indebtedness (as defined in RSA)**
- Other than as disclosed under this agreement, none.
- n) **Winding up of BLY or any of its subsidiaries**
- BLY has resolved to wind up or liquidate, or already commenced winding up or liquidating, certain subsidiaries each with net asset values under US\$40,000.00 including:
 - Boart Longyear (Cambodia) LTD
 - Boart Longyear Burkina Faso SARL
 - BLY Guinea S.A.
 - Boart Longyear Drilling Services KZ LLP (Kazakhstan)
 - Boart Longyear Products KZ LLP (Kazakhstan)
 - BLY Madagascar S.A.
 - Boart Longyear LLC (Russia)
 - Boart Longyear RUS
 - Boart Longyear Zambia Limited
 - BLI Zambia Limited
 - Boart Longyear Colombia S.A.S.
 - Saudi Arabia LLC
 - Patagonia Drill Mining Services S.A.
 - BLY Drilling Services and Products Mexico S.A. de C.V.
 - Boart Longyear (Vic) No. 2 Pty Limited
 - Boart Longyear (Vic) No. 1 Pty Limited
 - Inavel S.A. (Uruguay)
 - BLY Mozambique S.A.
 - Boart Longyear Incorporated (Canada)
 - Boart Longyear Finance Ltd. (Canada)
- o) **Liquidation, provisional liquidation or administration of BLY or any of its subsidiaries**
- None. See “n)” above.
- p) **Court ordered winding up**
- None. See “n)” above.
- q) **Execution of a DOCA**
- None. See “n)” above.
- r) **Appointment of a receiver or a receiver and manager**
- None. See “n)” above.
- s) **Change in BLY’s or a subsidiary’s constitution**
- See “h)”, above. Otherwise, none.
- t) **Change in BLY’s or a subsidiary’s accounting practices or policies**
- None. BLY is actively evaluating opportunities to simplify and streamline its accounting function. This activity may result in changes to BLY’s accounting practices but not its policies as they relate to public reporting.

- u) **Amendment or adoption of a collective bargaining agreement or other labour agreement (other than in the ordinary course of business)**
- During the pendency of the Transaction, BLY may commence bargaining for the renewal or amendment of its enterprise bargaining agreement for certain drilling services employees
 - BLY has experienced organizing activity throughout its operations, including in Ghana and Mali. There is a relatively high likelihood that this activity will continue, and it could include the potential for bargaining during the pendency of the Transaction.
- v) **Assignment of BLY's rights under this agreement**
- None.
- w) **Acts or omissions that would breach, or be inconsistent with, this agreement**
- Other than as listed in this schedule, none.
- x) **Material changes to the compensation or terms of employment of the Board or members of senior management, including to incentive plans**
- Other than as listed in this schedule, none.
- y) **Cash payments to related parties of BLY and its subsidiaries other than pursuant to pre-existing contractual obligations on arm's length and ordinary course trade terms**
- Other than as listed above, none.

{Restructuring Support Agreement execution page}