



## **Boart Longyear Limited**

ABN 49 123 052 728

## **Selective Buy-Back Booklet**

*THIS IS AN IMPORTANT DOCUMENT*

*The Selective Buy-Back is not available to persons located or resident in, and this document is not to be distributed in or into, the United States or Canada.*

*This SBB Booklet contains important information. You should read this document in full and along with the Notice of Extraordinary General Meeting and seek advice from your financial or other professional adviser before making any investment decision. This document does not provide financial advice and has been prepared without taking into account your investment objectives, financial situation or particular needs.*

## Important Dates

| DATE  | EVENT  |
|---|--|
| <b>7:00pm (Sydney time) on Wednesday, 28 July 2021</b>  | SBB Record Date. The date for determination of BLY Shareholders who are entitled to participate in the Selective Buy-Back, being the Eligible SBB Shareholders.  |
| <b>Thursday, 29 July 2021</b>                           | Announcement of Selective Buy-Back and publication of the Buy-Back Documents together with the Notice of Extraordinary General Meeting.<br>Opening Date for the Selective Buy-Back.  |
| <b>Thursday, 5 August 2021</b>                          | Despatch of the Buy-Back Documents to BLY Shareholders together with the Notice of Extraordinary General Meeting.  |
| <b>Tuesday, 31 August 2021</b>                          | Creditors' Scheme Meetings to approve the Secured Creditors' Scheme and Unsecured Creditors' Scheme.   |
| <b>7:00pm (Sydney time) on Monday, 6 September 2021</b> | SBB Closing Date. SBB Tender Period closes at 7:00pm (Sydney time). SBB Tender Forms must be completed and returned to the Share Registry by this time.  |
| <b>Wednesday, 8 September 2021</b>                      | Extraordinary General Meeting of BLY Shareholders to approve the Recapitalisation and the Selective Buy-Back.<br>Re-domiciliation Scheme Meeting to approve the Re-domiciliation Scheme.   |
| <b>Thursday, 16 September 2021</b>                      | Second Court Date for the Creditors' Schemes.  |
| <b>Wednesday, 22 September 2021</b>                     | BLY Share Register updated for Share Consolidation.  |
| <b>Thursday, 23 September 2021</b>                      | Implementation date for the Recapitalisation.<br><br>Buy-Back Date. The date on which the Selective Buy-Back will complete (if the conditions to the Selective Buy-Back are satisfied).<br>Date of disposal of BLY Shares acquired under the Selective Buy-Back.<br><br>The date on which the Buy-Back Price is to be paid to successful participants. |

\* While BLY does not anticipate any changes to these dates and times, it reserves the right to vary them without notifying you. Any change in date or time will take effect from the time it is authorised by BLY and will be publicly announced on ASX as soon as practicable following that authorisation. Any such change will be taken to amend this SBB Booklet (and the other Buy-Back Documents) accordingly. BLY may, in its absolute discretion, also decide not to proceed with the Selective Buy-Back.

This SBB Booklet is dated 29 July 2021 and is current as at that date (except where otherwise indicated).

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### About this SBB Booklet

This SBB Booklet contains important information about the Selective Buy-Back and is provided to assist you in making an informed decision about whether to participate. This SBB Booklet does not provide financial product advice and has been prepared without taking into account your particular circumstances. You should carefully consider the appropriateness of the Selective Buy-Back for you, having regard to your own objectives, financial situation and needs. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

Section 5 of this SBB Booklet defines the capitalised words used in this SBB Booklet and sets out rules for interpretation.

### Notice to foreign BLY Shareholders

If you are an Excluded Foreign Person, you will not be able to participate in the Selective Buy-Back. Any person located in the United States, any US Person and any resident of Canada is not entitled to participate, directly or indirectly, in the Selective Buy-Back. Only Eligible SBB Shareholders may participate.

The distribution of this SBB Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this SBB Booklet should seek advice on, and observe any restrictions on, distributing it. Copies of the Buy-Back Documents are not being mailed or otherwise distributed to the United States or Canada. Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, including any person located in the United States, any US Person or any resident of Canada.

## Chairman's Letter

29 July 2021

Dear Shareholder

As announced by Boart Longyear Limited (**BLY**) on 13 May 2021, BLY entered into the Restructuring Support Agreement with an overwhelming majority of BLY's lenders, including affiliates of Ares, Ascribe, CBP, Corre, FPA and Nut Tree, under which the parties have agreed, subject to the satisfaction of certain conditions, to pursue and implement a recapitalisation transaction as summarised below (the **Recapitalisation**). The Recapitalisation will convert approximately US\$795 million of the BLY Group's debt and accrued interest costs into 98.5% of BLY's post-Recapitalisation ordinary shares. If approved and implemented, the Recapitalisation will significantly reduce BLY's debt, strengthen the balance sheet of the BLY Group, lower interest expenses and enhance liquidity to support BLY's operations and growth.

The Recapitalisation will be implemented pursuant to the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (together, the **Creditors' Schemes**), and is subject to a number of conditions, including creditor and Court approval of the Creditors' Schemes as well as Non-Associated Shareholders of BLY approving resolutions required to give effect to the Recapitalisation.

In connection with the Recapitalisation, BLY also proposes to:

- (a) undertake a 20 for 1 share consolidation to reduce the number of BLY Shares on issue which will be effected prior to the issue of any new BLY Shares under the Creditors' Schemes, Share Purchase Plan and Creditor Share Purchase Option (as defined below) (**Share Consolidation**);
- (b) offer eligible BLY Shareholders the opportunity to subscribe for up to AU\$30,000 of new BLY Shares at a price of A\$2.48 per BLY Share (calculated on a post-Share Consolidation basis) under a share purchase plan, to raise up to a maximum of US\$2.5 million (**Share Purchase Plan**);
- (c) offer, first to SUN Noteholders, and then to TLA Purchasers, TLB Purchasers and SSN Noteholders in each case who are Scheme Creditors, the opportunity to purchase new BLY Shares at a price of A\$2.48 per BLY Share (calculated on a post-Share Consolidation basis), up to an aggregate cap of US\$2.5 million plus any shortfall under the Share Purchase Plan (the **Creditor Share Purchase Option**); and
- (d) refinance the Working Capital Facilities pursuant to the Exit Financing Facility.

Pursuant to the Restructuring Support Agreement, BLY has also agreed to pursue a re-domiciliation to Canada (**Re-domiciliation**). Canada was chosen after a review of the benefits and disadvantages as against remaining incorporated in Australia and re-domiciling to the United States. The Re-domiciliation will be effected by way of a scheme of arrangement between BLY and the BLY Shareholders (**Re-domiciliation Scheme**). Subject to satisfaction of all conditions to the Re-domiciliation including approval by BLY Shareholders at a meeting to be held on the same date as the Extraordinary General Meeting, and Court approval, it is proposed that the Re-domiciliation will be implemented shortly after implementation of the Recapitalisation. The Re-domiciliation is also subject to the Court approving the Creditors' Schemes and the Creditors' Schemes becoming effective.

Further details of the Recapitalisation and the Re-domiciliation are contained in the Notice of Extraordinary General Meeting and notice of meeting and explanatory statement for the Re-domiciliation Scheme provided together with this SBB Booklet.

In addition, in conjunction with the Re-domiciliation and conditional on BLY Shareholders approving the Re-domiciliation Scheme to effect the Re-domiciliation, BLY proposes that Eligible SBB Shareholders who hold small parcels of BLY Shares valued at less than A\$3,000 will have the opportunity to offer to sell their BLY Shares to BLY under a selective buy-back (**Selective Buy-Back**). The purchase of any BLY Shares under the Selective Buy-Back will occur after the Share Consolidation has been effected. Consequently, the number of BLY Shares held by an Eligible SBB Shareholder which will be bought back will be equal to the number of BLY Shares held by the Eligible SBB Shareholder at the SBB Record Date as reduced by the Share Consolidation (subject to BLY's absolute discretion to determine whether to accept (in whole or in part) or reject an offer to sell BLY Shares received by BLY from Eligible SBB Shareholders). The Buy-Back Price is A\$2.48 per BLY Share (calculated on a post-Share Consolidation basis). The following table shows the pricing for the transactions contemplated in connection with the Recapitalisation and the Re-domiciliation:

| <b>Shareholder transactions</b>                          | <b>Pricing (on a post-Share Consolidation basis)</b> |
|--|--|
| Issue of new shares under the Share Purchase Plan        | A\$2.48 per share                                    |
| Buy back of existing shares under Selective Buy-Back     | A\$2.48 per share                                    |
| <b>Scheme Creditor Transactions</b>                      | <b>Pricing (on a post-Share Consolidation basis)</b> |
| Issue of new shares under Creditor Share Purchase Option | A\$2.48 per share                                    |

On behalf of BLY, I am pleased to offer Eligible SBB Shareholders the opportunity to participate in the Selective Buy-Back described in this SBB Booklet. The purchase of BLY Shares by BLY under the Selective Buy-Back is conditional on:

- (a) BLY Shareholders approving the Selective Buy-Back at the Extraordinary General Meeting;
- (b) BLY Shareholders approving the Re-domiciliation Scheme to effect Re-domiciliation; and
- (c) the Creditors' Schemes becoming effective under section 411(10) of the Corporations Act.

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

The Selective Buy-Back will be conducted through a tender process in which Eligible SBB Shareholders can offer to sell their BLY Shares back to BLY at the Buy-Back Price. BLY may, in its absolute discretion, determine whether to accept (in whole or in part) or reject an offer to sell BLY Shares received by BLY from Eligible SBB Shareholders. The maximum amount that BLY will spend to buy-back BLY Shares under the Selective Buy-back will be US\$500,000. You do not need to take any action if you do not wish to participate in the Selective Buy-Back.

Any BLY Shares bought back by BLY under the Selective Buy-Back will be acquired by BLY on the same date as the implementation date of the Creditors' Schemes, which will be announced by BLY to the ASX. Details on how Eligible SBB Shareholders can participate and offer their BLY Shares for sale to BLY as part of the Selective Buy-Back are set out in this SBB Booklet. In particular, the process is summarised in Section 1 and the important dates are listed on page 2, including the SBB Tender Period (which closes 7:00pm on 6 September, being the SBB Closing Date).

Eligible SBB Shareholders may tender their BLY Shares at the Buy-Back Price of \$2.48 per BLY Share. The Selective Buy-Back will have different tax implications for each Eligible SBB Shareholder. A general summary of the Australian income tax implications of participating in the Selective Buy-Back is set out in Section 2 of this SBB Booklet. Eligible SBB Shareholders should obtain independent taxation or other professional advice specific to their circumstances before deciding to participate in the Selective Buy-Back.

If, after reading this SBB Booklet, you have any questions about how to participate or how the Selective Buy-Back operates, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) between 9.00am (AEST) to 5.00pm (AEST), Monday to Friday (excluding public holidays).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kevin McArthur', with a stylized flourish at the end.

**Kevin McArthur**  
**Chair**

## Introduction

This SBB Booklet is issued by BLY and explains the features of the Selective Buy-Back.

Capitalised terms in this SBB Booklet are defined in Section 5.1 (*Definitions*).

## Eligibility to participate

Only BLY Shareholders who are Eligible SBB Shareholders are eligible to participate in the Selective Buy-Back.

You will be an Eligible SBB Shareholder if you are:

- (a) the registered holder of BLY Shares as at the SBB Record Date which have an aggregate value equal to less than A\$3,000 (calculated by reference to the closing price of BLY Shares on ASX on the SBB Record Date);
- (b) a Non-Associated Shareholder; and
- (c) not a Excluded Foreign Person.

If you are not an Eligible SBB Shareholder, you will not be able to participate in the Selective Buy-Back.

The distribution of this SBB Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this SBB Booklet should seek advice on, and observe any restrictions on, distributing it.

Any person who is located in the United States, who is a US Person or a resident in Canada is not entitled to participate, directly or indirectly, in the Selective Buy-Back. Copies of the Buy-Back Documents are not being mailed or otherwise distributed or sent to addresses in the United States or Canada.

Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, any US Person (including to any legal or beneficial owner of BLY Shares that is a US Person) or any person who is located in the United States or Canada.

- (a) BLY will not accept SBB Tender Forms containing Tenders from BLY Shareholders who are not Eligible SBB Shareholders;
- (b) from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) located in the United States or Canada or a US Person; or
- (c) that appear to BLY or its agents to have been sent from the United States or Canada.

## Notice to foreign BLY Shareholders

If you are an Excluded Foreign Person, you will not be able to participate in the Selective Buy-Back. In particular, any person located in the United States, any US Person and any resident of Canada is not entitled to participate, directly or indirectly, in the Selective Buy-Back.

The distribution of this SBB Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this SBB Booklet should seek advice on, and observe any restrictions on, distributing it. Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, including any person located in the United States, any US Person or any resident of Canada.

## Key features of the Selective Buy-Back

|                       |   |
|-----------------------|---|
| <b>Maximum size</b>   | The maximum amount that BLY will spend to buy-back BLY Shares under the Selective Buy-Back will be US\$500,000. |
| <b>Buy-Back Price</b> | The Buy-Back Price is A\$2.48 per BLY Share (calculated on a post Share Consolidation basis).                   |

The following table shows the pricing for the transactions contemplated in connection with the Recapitalisation and the Re-domiciliation:

| Shareholder transactions                                 |          | Pricing (on a post-Share Consolidation basis) |
|--|----------|---|
| Issue of new shares under the Share Purchase Plan        |          | A\$2.48 per share                             |
| Buy back of existing shares under Selective Buy-Back     |          | A\$2.48 per share                             |
| Scheme Transactions                                      | Creditor | Pricing (on a post-Share Consolidation basis) |
| Issue of new shares under Creditor Share Purchase Option |          | A\$2.48 per share                             |

The purchase of any BLY Shares under the Selective Buy-Back will occur after the Share Consolidation has been effected. Consequently, the number of BLY Shares held by an Eligible SBB Shareholder which will be bought back will be the number of BLY Shares held by the Eligible SBB Shareholder at the SSB Record Date as reduced for the Share Consolidation (subject to BLY's absolute discretion to determine whether to accept (in whole or in part) or reject an offer to sell BLY Shares received by BLY from Eligible SBB Shareholders).

|   |  |
|---|--|
| <b>Minimum offer by Eligible SBB Shareholders</b> | If you are an Eligible SBB Shareholder who submits an SBB Tender Form, you must tender all of the BLY Shares you hold as at the SBB Record Date. |
|---|--|

## How do I participate?

It is important that you read this SBB Booklet in full before deciding to participate. If you have any questions about whether participation is in your interest, you should seek financial, taxation or other professional advice. If, after reading this SBB Booklet, you have any questions about how to participate or how the Selective Buy-Back operates, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) between 9.00am (AEST) to 5.00pm (AEST), Monday to Friday (excluding public holidays).

If you are an Eligible SBB Shareholder and you choose to participate you can do so by:

- (1) Completing the online SBB Tender Form, electing to Tender your BLY Shares, via <https://events.miraqle.com/bly-sbb> by no later than 7:00pm on the SBB Closing Date (Monday, 6 September 2021); or
- (2) If you are an Issuer Sponsored Holder, please complete the personalised paper SBB Tender Form containing a Tender and returning it to the Share Registry (by post or by email) no later than 7:00pm on the SBB Closing Date (Monday, 6 September) 2021); or



- (3) If you are a sponsored CHESSE Holder, please **DO NOT** send your SBB Tender Form to the Registry. Instead, you should send your SBB Tender Form to your controlling CHESSE participant. Please refer to the instructions on the back of the SBB Tender Form for more information. If you need to instruct your controlling CHESSE participant, please ensure you do so in sufficient time for them to process your instructions no later than 7:00pm on the SBB Closing Date (Monday, 6 September 2021).

For detailed instructions on how to participate, see Section 1.5 of this SBB Booklet.

### **If you DO NOT choose to participate**

If you do not wish to participate in the Selective Buy-Back, including where you have chosen to participate in the Share Purchase Plan and completed an SPP Application Form, you do not need to take any action.

## 1. **BUY-BACK AND TENDER PROCESS**

This SBB Booklet sets out the terms of the Selective Buy-Back and other information to assist you in deciding whether to participate in the Selective Buy-Back.

This SBB Booklet does not constitute or give rise to a legally binding offer capable of your acceptance. If you submit a Tender, you make a formal offer to sell your BLY Shares to BLY on the terms and conditions set out in the Buy-Back Documents. BLY may determine, in its absolute discretion, whether to accept (in whole or in part) your Tender. If BLY determines to purchase some or all of your tendered BLY Shares, on the Buy-Back Date, a Buy-Back Contract will be formed in respect of those accepted BLY Shares and those BLY Shares will be sold to BLY on those terms and conditions.

### 1.1 **What is the Selective Buy-Back?**

BLY is proposing to undertake the Selective Buy-Back by inviting Eligible SBB Shareholders to offer to sell their BLY Shares to BLY by a tender process. Eligible SBB Shareholders who wish to participate must Tender all of their BLY Shares. The price that BLY will purchase any BLY Shares under the Selective Buy-Back will be the Buy-Back Price.

The purchase of any BLY Shares under the Selective Buy-Back will occur after the Share Consolidation has been effected. Consequently, the number of BLY Shares held by an Eligible SBB Shareholder which will be bought back will be equal to the number of BLY Shares held by the Eligible SBB Shareholder at the SBB Record Date as reduced by the Share Consolidation (subject to BLY's absolute discretion to determine whether to accept (in whole or in part) or reject an offer to sell BLY Shares received by BLY from Eligible SBB Shareholders). The Buy-Back Price is calculated on a post-Share Consolidation basis.

The number of BLY Shares purchased by BLY under the Selective Buy-Back will be determined by BLY in its absolute discretion. However, the maximum amount that BLY will spend to buy-back BLY Shares under the Selective Buy-Back will be US\$500,000.

Any BLY Shares bought back by BLY under the Selective Buy-Back will be acquired by BLY on the same date as the implementation date of the Creditors' Schemes, which will be announced by BLY to the ASX.

Each BLY Share bought back by BLY on the Buy-Back Date will be bought back for the same amount, being the Buy-Back Price.

BLY Shares purchased by you after the SBB Record Date will not confer an entitlement to participate in the Selective Buy-Back.

### 1.2 **How will BLY determine which BLY Shares to buy back?**

BLY will determine, in its absolute discretion, whether to accept (in whole or in part) a Tender.

There is no guarantee that all, or some, of your Tender will be accepted. The maximum amount that BLY will spend to buy-back BLY Shares under the Selective Buy-Back will be US\$500,000. However, BLY retains an absolute discretion as to whether to accept any Tenders.

### 1.3 **Why is BLY conducting the Selective Buy-Back?**

The Selective Buy-Back is intended to give Eligible SBB Shareholders who hold small parcels of BLY Shares the opportunity to exercise a cash-out option in lieu of retaining their existing BLY Shares, noting that existing BLY Shareholders will be significantly diluted following implementation of the Creditors' Schemes and may not wish to hold CDIs in the redomiciled Canadian company. The Selective Buy-Back is intended to provide Eligible SBB Shareholders

with the opportunity to sell their BLY Shares without incurring brokerage fees and other expenses.

#### 1.4 **Do I have to Tender my BLY Shares?**

No. Participation in the Selective Buy-Back is voluntary. If you do not want to participate in the Selective Buy-Back, you do not need to do anything.

If you do not participate in the Selective Buy-Back, or if you submit a Tender but none of your BLY Shares are bought back, the number of BLY Shares you hold will not change as a result of the Selective Buy-Back (noting that, subject to approval by BLY Shareholders, the number of BLY Shares held by all BLY Shareholders will be reduced by a factor of twenty when the Share Consolidation is implemented).

If you have any questions about whether you should participate in the Selective Buy-Back, please consult your financial, taxation or other professional advisor.

#### 1.5 **If I decide to participate, how do I Tender my BLY Shares?**

You can participate in the Selective Buy-Back by either:

##### **GOING ONLINE**

##### **USING A PERSONALISED PAPER SBB TENDER FORM**

- |   |   |
|---|---|
| <p>(a) Complete the online SBB Tender Form, electing to Tender your BLY Shares, via <a href="https://events.miraqle.com/bly-sbb">https://events.miraqle.com/bly-sbb</a>.</p> <p>(b) You will require your Security-holder Reference Number (SRN) or Holder Identification Number (HIN) or Employee Participant ID. You can find these numbers in the top right-hand corner of any shareholder forms or statements previously sent to you.</p> <p>(c) If you are a sponsored CHESSE Holder, you are encouraged to lodge your form by 5.00pm on Friday, 3 September 2021 (being the business day prior to the SBB Closing Date). The Share Registry will need to confirm with your controlling CHESSE participant any online submission of your SBB Tender Form before it can be taken as validly submitted and there may not be sufficient time to do so for any online SBB Tender Forms submitted by CHESSE Holders after 5:00pm on Friday, 3 September 2021.</p> | <p>(a) If you received a paper copy of this SBB Booklet, you will have also received a personalised paper SBB Tender Form accompanying this SBB Booklet.</p> <p>(b) If you use the personalised paper SBB Tender Form, you need to submit it in accordance with the instructions in Step 3 below.</p> <p>(c) If you don't already have it and would like a personalised paper SBB Tender Form, please contact the Shareholder Information Line 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) between 9.00am (AEST) to 5.00pm (AEST), Monday to Friday (excluding public holidays).</p> <p>(d) If you are a sponsored CHESSE Holder, you are encouraged to lodge your form by 5:00pm on Friday, 3 September 2021. The Share Registry will need to confirm with your controlling CHESSE participant any submission of your SBB Tender Form before it can be taken as validly submitted and there may not be sufficient time to do so for any SBB Tender Forms submitted by CHESSE Holders after</p> |
|---|---|

5:00pm on Friday, 3 September 2021.

- (e) If you are a sponsored CHESSE Holder, you can also contact your controlling CHESSE participant directly and instruct your controlling CHESSE participant in sufficient time for them to process your instructions no later than 7:00pm on the SBB Closing Date (Monday, 6 September 2021). You should not return your SBB Tender Form to the Share Registry. However, your controlling CHESSE participant may request that you complete and send your personalised paper SBB Tender Form to them.

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### **Step 1: Decide if you wish to participate in the Selective Buy-Back**

If you wish to participate in the Selective Buy-Back, you must Tender all of your BLY Shares.

If you decide not to participate in the Selective Buy-Back, including where you have chosen to participate in the Share Purchase Plan and completed an SPP Application Form, you do not need to take any action.

**Note:** *You should complete either the SBB Tender Form or the SPP Application Form but not both. Participation in the Selective Buy-Back means that you are offering to Tender your BLY Shares. Participation in the Share Purchase Plan means you are electing to subscribe for additional BLY Shares. Therefore, you should choose to participate in either the Selective Buy-Back or the Share Purchase Plan but not both. If you wish to participate in the Selective-Buy Back, you do not need to complete the SPP Application Form.*

### **Step 2: If completing a paper SBB Tender Form, sign the paper SBB Tender Form and mark that you wish to Tender your BLY Shares**

Sign your SBB Tender Form in Box C, mark in Box B that you wish to Tender your BLY Shares, and provide the relevant contact details.

The payment method will be direct credit in Australian or New Zealand dollars to the bank account recorded on your shareholding. If we do not hold bank account details for you, you need to update your instructions online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

If you have not recorded a bank account by the closing date of the offer, your payment will be withheld until a bank account has been provided.

### **Step 3: Submit your SBB Tender Form**

Please ensure you complete the SBB Tender Form correctly and in accordance with the instructions at the top of the form (in particular, that you have marked that you wish to Tender your BLY Shares under the Selective Buy-Back, and not to participate in the Share

Purchase Plan). The simplest way of submitting your SBB Tender Form, to ensure it is received in time by the SBB Closing Date, is to submit the form online via <https://events.miracle.com/bly-sbb>. Please follow the instructions on the SBB Tender Form. You will receive confirmation by email when your SBB Tender Form has been received online.

If you are an Issuer Sponsored Holder, please submit a paper SBB Tender Form, either:

- (a) mail it to the Selective Buy-Back mailing address:

Boart Longyear Limited Share Registry  
C/-Link Market Services Limited  
PO Box 1524  
Sydney South NSW 1234

- (b) or email it to [offers@linkmarketservices.com](mailto:offers@linkmarketservices.com).

If you are a sponsored CHESSE Holder, you may submit your SBB Tender Form via your controlling CHESSE participant by complying with their instructions and ensuring the SBB Tender Form is submitted in time (you will need to allow extra time for this).

You will be sent written confirmation from CHESSE of the Tenders made on your holding by your controlling CHESSE participant on your behalf. This confirmation is not an acceptance of your offer by BLY.

#### 1.6 **The effect of submitting an SBB Tender Form containing a Tender**

When you submit an SBB Tender Form containing a Tender for BLY Shares, it constitutes an offer by you to sell your BLY Shares to BLY on the terms and conditions set out in the Buy-Back Documents.

Submitting an SBB Tender Form that contains a Tender does not, of itself, constitute a binding contract for the sale of your BLY Shares, and cannot be enforced against BLY. BLY retains the absolute discretion to accept or reject any offer to sell BLY Shares (in whole or in part) and may choose to reject all offers. If BLY accepts your Tender (in whole or in part), on the Buy-Back Date, a binding Buy-Back Contract will be formed between you and BLY for the relevant BLY Shares and you must sell those BLY Shares to BLY on the terms and conditions set out in the Buy-Back Documents, including the terms and conditions set out below.

By submitting an SBB Tender Form containing a Tender, you:

- (a) agree to the terms and conditions set out in the Buy-Back Documents;
- (b) make an offer to sell to BLY on the Buy-Back Date all of your BLY Shares at the Buy-Back Price;
- (c) agree to any scale back announced by BLY;
- (d) agree that BLY's announcement to ASX on the Buy-Back Date of details of results of the Selective Buy-Back and dispatch to you of a statement notifying you of the number of your BLY Shares (if any) that have been bought back by BLY constitutes:
  - (i) effective notice or communication of BLY's acceptance of your Tender in respect of all or some of your BLY Shares offered for sale, as outlined in such statement (in accordance with the terms and conditions set out in the Buy-Back Documents); and/or

- (ii) effective notice or communication of BLY's rejection of your Tender in respect of all or some of your BLY Shares offered for sale, as outlined in such statement (in accordance with the terms and conditions set out in the Buy-Back Documents);
- (e) agree that a Buy-Back Contract is formed for the buy-back of the relevant BLY Shares upon BLY accepting your offer in accordance with the terms and conditions set out in the Buy-Back Documents and posting an announcement on ASX's website of details of results of the Selective Buy-Back on the Buy-Back Date, and that the buy-back of the relevant BLY Shares is taken to occur at that time;
- (f) waive any requirement to receive further notice or communication from BLY of its acceptance or rejection of any Tender submitted by you;
- (g) warrant to BLY that:
  - (i) at all times after you offer your BLY Shares for sale through the Selective Buy-Back, and on the Buy-Back Date, you are the registered holder of the BLY Shares that you have offered for sale and that they are fully paid, free from any mortgage, charge, lien, or other encumbrances (whether legal or equitable) and from any third party rights and otherwise able to be sold freely by you;
  - (ii) you are a person to whom the invitation to participate in the Selective Buy-Back may lawfully be made, who can receive the proceeds of the sale of your BLY Shares, and whose participation in the Selective Buy-Back is permitted under the laws of the jurisdiction in which you are a resident, and that you are an Eligible SBB Shareholder;
  - (iii) you have not distributed or sent any Buy-Back Documents or other document referring to the Selective Buy-Back into the United States or Canada or to any US Person, resident of Canada or a person who is otherwise not an Eligible SBB Shareholder; and
  - (iv) you have not utilised in connection with the Selective Buy-Back, directly or indirectly, mail or any means or instrumentality (including without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States;
- (h) authorise BLY (and its officers, agents or contractors) to correct any error in or omission from your SBB Tender Form, and to insert any missing details (but you acknowledge that BLY has no obligation to do so and that incorrect or incomplete forms may be rejected);
- (i) undertake not to sell or offer to sell the BLY Shares the subject of your Tender to any other person until the Buy-Back Date;
- (j) acknowledge and agree that neither BLY nor any other party involved in the Selective Buy-Back has provided you with financial product advice, taxation advice or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Selective Buy-Back or the manner of any such participation;
- (k) authorise BLY to make payment by direct credit to the bank account recorded on your shareholding or provided online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) prior to the SBB Closing Date and acknowledge that payments to this account will satisfy BLY's obligations to pay you for any BLY Shares bought back under the Selective Buy-Back;

- (l) undertake that, if you breach any of these covenants, undertakings, agreements or warranties, you will indemnify BLY for all of its costs arising from the breach; and
- (m) agree that damages are not an adequate remedy for breach of these covenants, undertakings, agreements, representations or warranties.

You will be taken to have submitted an SBB Tender Form when the Share Registry receives a validly submitted SBB Tender Form either online or by mail or, if you have a CHES Holding, from your controlling CHES participant through CHES.

#### 1.7 **Can I trade my BLY Shares after submitting a Tender?**

Once you have tendered BLY Shares into the Selective Buy-Back, you should not:

- (a) sell or offer to sell those BLY Shares;
- (b) convert those BLY Shares from an Issuer Sponsored Holding to a CHES Holding or vice versa; or
- (c) move those BLY Shares between Issuer Sponsored Holdings or CHES Holdings (for instance, if you change your controlling participant).

Once you have submitted a Tender, your BLY Shares will be locked and placed in a 'sub-position' in the BLY Share Register. You will not be able to deal with those BLY Shares until they are released from the sub-position on the business day after the Buy-Back Date or otherwise released at the discretion of BLY if the Selective Buy-Back is not proceeded with.

#### 1.8 **Can I withdraw or amend my Tender?**

Submission of a Tender prior to the SBB Closing Date is irrevocable and cannot be withdrawn or amended once submitted.

#### 1.9 **How will I know if my tendered BLY Shares have been bought back?**

On the Buy-Back Date, BLY intends to dispatch to all Eligible SBB Shareholders who have tendered their BLY Shares into the Selective Buy-Back a statement notifying them of the number of their BLY Shares (if any) that have been bought back by BLY.

Eligible SBB Shareholders can also access this information on or after the Buy-Back Date by contacting the Share Registry information line on 1800 781 663 (within Australia) or +61 1800 781 663 (from outside Australia) (from 8:30 am to 5.00 pm (Sydney time)). If you are a CHES Holder, CHES will provide you with written confirmation of the successful Tenders made on your holding or Tenders withdrawn by your controlling CHES participant.

#### 1.10 **How will I receive payment for BLY Shares bought back?**

Proceeds payable to Eligible SBB Shareholders under the Selective Buy-Back will be paid by direct credit in Australian or New Zealand dollars.

If you have a direct credit authority to an Australian or New Zealand bank account recorded in the BLY Share Register at 7:00pm (Sydney time) on the SBB Closing Date, all proceeds payable to you under the Selective Buy-Back (if any) will be credited to your nominated bank account.

Alternatively, if you wish to receive payment for any BLY Shares purchased by BLY under the Selective Buy-Back to an Australian or New Zealand bank account that is different to your current registered direct credit instructions, you may change your current direct credit instructions online via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). In order to be effective for the Selective Buy-Back, you must make this change by 7:00pm (Sydney time) on the SBB

Closing Date. You cannot use a United States or Canadian bank account for payments in respect of the Selective Buy-Back.

Please note that if you do alter your nominated bank account details, this will be taken to be your nominated bank account for future dividend payments (if any).

If you do not have a direct credit authority to an Australian or New Zealand bank account recorded in the BLY Share Register as at 7:00pm (Sydney time) on the SBB Closing Date, any proceeds due to you under the Selective Buy-Back (if any) will be withheld until a bank account has been provided.

Payments to bank accounts are expected to occur on or around Thursday, 23 September 2021 and will satisfy BLY's obligation to pay Eligible SBB Shareholders for any BLY Shares that BLY buys back under the Selective Buy-Back.

#### **1.11 BLY Shares held by trustees and nominees**

Trustees or nominees who hold BLY Shares 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 must not inform such person of the Selective Buy-Back and must not distribute the Buy-Back Documents into the United States or Canada, or otherwise make them available to any person located in the United States, any US Person or any resident of Canada. It is the responsibility of the trustee or nominee to ensure that, when completing an aggregated SBB Tender Form, it does not include any offers to sell BLY Shares on behalf of such persons.

#### **1.12 Joint BLY Shareholders**

If you hold your BLY Shares jointly with another person (for example, your spouse), you must complete and return the SBB Tender Form in accordance with the instructions for joint holdings on the SBB Tender Form.

Please note that you will have access to an online SBB Tender Form or you will receive a personalised paper SBB Tender Form, on request, for each separate registered holding of BLY Shares you have (for example, if you hold some BLY Shares in your name and some BLY Shares jointly with another person, you will receive two SBB Tender Forms). You may offer BLY Shares for sale through the Selective Buy-Back from any or all of your registered holdings provided that you complete and follow the instructions on each SBB Tender Form for each holding.

#### **1.13 Restrictions under margin lending and other arrangements**

If you hold your BLY Shares under margin lending arrangements or if they are held as security for a loan or as ASX Clear Pty Limited collateral, you should ensure that your participation in the Selective Buy-Back is permitted by those margin lending arrangements, the relevant loan and security documentation, or by ASX Clear Pty Limited, as relevant. Even if you are an Eligible SBB Shareholder as defined in this SBB Booklet, there may be external restrictions on your participation in the Selective Buy-Back. It is your responsibility to comply with any such restrictions and BLY makes no representations in that regard.

#### **1.14 Rights cannot be transferred**

Eligible SBB Shareholders cannot transfer their entitlement to offer BLY Shares for sale through this Selective Buy-Back to any other person.

#### **1.15 What happens if I purchase more BLY Shares?**

BLY Shares purchased by you after the SBB Record Date will not confer an entitlement to participate in the Selective Buy-Back (because they were not held by you on the SBB Record Date).



## 1.16 **Taxation**

General information on the Australian tax implications for Eligible SBB Shareholders participating in the Selective Buy-Back is included in Section 2 of this SBB Booklet. However, BLY is not seeking a class ruling from the ATO in the Australian income tax implications of the Selective Buy-Back and Eligible SBB Shareholders will need to consider their own particular tax circumstances. All Eligible SBB Shareholders should consult their financial, taxation or other professional advisor.

### 1.17 **Can I still vote at the Extraordinary General Meeting if I tender all my BLY Shares into the Selective Buy-Back?**

Eligible SBB Shareholders who complete and return an SBB Tender Form that contains a Tender for their BLY Shares:

- (a) will be able to attend the Extraordinary General Meeting of BLY to be held on Wednesday, 8 September 2021 and vote on all resolutions other than the resolution to approve the Selective Buy-Back; and
- (b) will not be eligible to vote on the resolution at the Extraordinary General Meeting to approve the Selective Buy-Back.

### 1.18 **Can I still vote at the Re-domiciliation Scheme Meeting if I Tender my BLY Shares into the Selective Buy-Back?**

Eligible SBB Shareholders who complete and return an SBB Tender Form that contains a Tender for their BLY Shares will be able to attend the Re-domiciliation Scheme Meeting and vote on the Re-domiciliation Scheme.

## 2. **TAX IMPLICATIONS FOR ELIGIBLE SBB SHAREHOLDERS**

This section of this SBB Booklet is intended only as a general summary of the Australian income tax implications of participating in the Selective Buy-Back. If you decide to participate in the Selective Buy-Back, your particular tax treatment will depend on your own circumstances. It is therefore important that you obtain professional tax advice to take into account your own particular circumstances.

BLY is not seeking a class ruling from the Australian Taxation Office (**ATO**) on behalf of its shareholders in relation to the Selective Buy-Back and it is therefore possible that the ATO will disagree with the summary set out below.

### 2.1 **Australian Tax Implications for Eligible SBB Shareholders**

Unless otherwise specified, information in this section is based on Australian income tax legislation and administrative practice as at the date of this SBB Booklet. These laws, the interpretation of them by the courts, and administrative practice, may change at any time, and sometimes with retrospective effect.

This general summary of the Australian income tax implications of participating in the Selective Buy-Back is limited to Eligible SBB Shareholders who hold their BLY Shares on capital account for Australian income tax purposes. This general summary does not apply to Eligible SBB Shareholders who:

- (a) hold their BLY Shares as revenue assets or trading stock, such as banks, insurance companies and taxpayers carrying on a business of share trading;
- (b) have acquired their BLY Shares for the purposes of resale at a profit;

- (c) are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in respect of their BLY Shares;
- (d) are subject to special tax rules, such as entities that are exempt from Australian income tax, partnerships, insurance companies or trusts that are subject to special taxation regimes (such as "attribution managed investment trusts" and trusts that are taxed as companies); or
- (e) acquired their BLY Shares under an arrangement that constitutes an 'employee share scheme' for Australian income tax purposes.

The tax consequences for those Eligible SBB Shareholders may differ significantly from those discussed below.

This summary is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible SBB Shareholder. Taxation is a complex area of law and the taxation consequences for each Eligible SBB Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible SBB Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Neither BLY, nor any of its officers, nor its taxation adviser, nor any other adviser to BLY, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Selective Buy-Back.

#### **(a) Australian resident Eligible SBB Shareholders**

The general summary in this section (a) applies to Eligible SBB Shareholders that are residents of Australia for Australian income tax purposes and meet the criteria set out in section 2.1 above.

##### **2.1.1 Income Tax – Dividend component of Buy-Back Price**

The Selective Buy-Back should constitute an "off-market purchase" for the purposes of Division 16K of Part III of the *Income Tax Assessment Act 1936* (**ITAA 36**).

BLY intends to debit the whole of the Buy-Back Price to its share capital account. Accordingly, and subject to the application of certain anti-avoidance provisions discussed immediately below, no part of the Buy-Back Price should be treated as a dividend for Australian income tax purposes.

Notwithstanding the above, the ITAA 36 contains broad anti-avoidance rules under which the Commissioner of Taxation (**Commissioner**) has the power to determine that a "capital benefit" paid by a company to its shareholders is deemed to be an unfranked dividend for Australian income tax purposes, where certain other conditions are met. A "capital benefit" for these purposes would include the whole of the Buy-Back Price.

BLY does not consider that these anti-avoidance rules should apply to the Selective Buy-Back. However, given the breadth of these rules, it is possible that the ATO will disagree, and as such the Commissioner could make a determination to treat part or all of the Buy-Back Price as an unfranked dividend for Australian income tax purposes.

The remainder of this discussion assumes that the Commissioner will not make any determination to treat a part of the Buy-Back Price as an unfranked dividend for Australian income tax purposes.

##### **2.1.2 Capital Gains Tax – Disposal of Shares**

You will be deemed, for CGT purposes, to have disposed of each BLY Share for the Buy-Back Price of A\$2.48 per BLY Share plus the amount (if any) by which the CGT Value exceeds the Buy-Back Price (**Capital Proceeds**). The date of disposal of your BLY Shares will be

taken, for CGT purposes, to be the date that a binding contract to dispose of your BLY Shares under the Selective Buy-Back is entered into, which is the Buy-Back Date.

What is the CGT Value of the BLY Shares?

If the CGT Value exceeds the Buy-Back Price, your Capital Proceeds for the disposal of your BLY Shares will be deemed to be the CGT Value.

The CGT Value is equal to what would have been the market value of your BLY Shares at the time of the Selective Buy-Back, if the Selective Buy-Back did not occur and was never proposed to occur.

BLY has sought and obtained guidance indicating that there are factors which suggest that the Buy-Back Price is unlikely to be greater than the CGT Value. However, the determination of the CGT Value is a complex matter of valuation, and it is possible that the ATO will disagree, in which case your Capital Proceeds could be higher than the Buy-Back Price. Nevertheless, based on the guidance BLY has received, BLY considers that there are reasonable grounds for concluding that your Capital Proceeds are likely to be the Buy-Back Price.

For completeness, Eligible SBB Shareholders should be aware that the ATO has released Taxation Determination TD 2004/22 (**TD 2004/22**), which sets out the ATO's view in relation to determining the CGT Value for listed company shares. TD 2004/22 provides that this value should be determined as the volume weighted average price of the shares over the last five trading days before the first announcement of the Selective Buy-Back, adjusted for the movement in the S&P/ASX 200 Index from the commencement of trading on the first announcement date to the close of trading on the day the Selective Buy-Back closes.

Under the ATO view, the CGT Value would be determined in accordance with the following formula:

$$\left( \frac{A \times B}{C} \right)$$

where:

A = VWAP of BLY Shares traded on ASX over the last five trading days before the announcement of the Selective Buy-Back on 13 May 2021.

B = closing level of the S&P/ASX 200 Index on the SBB Closing Date (Monday, 6 September 2021).

C = opening level of the S&P/ASX 200 Index on 13 May 2021.

In undertaking the above calculation, account would need to be taken of the Share Consolidation.

Notwithstanding the above, in PS LA 2007/9, the ATO states that it will not apply TD 2004/22 in cases of capital-only off-market share buy-backs conducted at arm's-length. While PS LA 2007/9 is not binding on the ATO, BLY considers that there are reasonable grounds for the Selective Buy-Back being characterised as a capital-only off-market share buy-back conducted at arm's length. As such, Eligible SBB Shareholders should have

reasonable grounds for not using the formula in TD 2004/22 to determine the CGT Value of their BLY Shares.

Will I make a capital gain or a capital loss on sale of BLY Shares through the Selective Buy-Back?

You will make a capital gain on BLY Shares disposed of under the Selective Buy-Back to the extent that the Capital Proceeds exceed your CGT cost base for the BLY Shares. You will make a capital loss if your CGT reduced cost base for the BLY Shares exceeds the Capital Proceeds (calculated as discussed above). No allowance for indexation or non-capital costs is made in determining the CGT reduced cost base of BLY Shares in calculating a capital loss.

You will generally be required to include your net capital gain for an income year in your assessable income for the relevant year of income. Broadly, the net capital gain for an income year is the total of all of the capital gains made during the income year less capital losses made in the income year and available net capital losses made in previous income years. As discussed further below, discount CGT treatment may be available to further reduce the amount included in assessable income.

If a capital loss arises from the Selective Buy-Back it can only be used to offset capital gains. Capital losses that are not used in the income year in which they arise may usually be carried forward and used to offset capital gains made in future income years, subject to satisfying applicable loss utilisation tests. A capital loss cannot be used to offset other income nor carried back to earlier income years.

Notwithstanding the above, if your BLY Shares were acquired, or are taken to have been acquired, before 20 September 1985 for CGT purposes and are not taken to have been acquired on or after that date for CGT purposes, there should be no CGT implications arising on disposal of your Shares.

Will I be eligible for the CGT discount?

Any capital gain arising to Eligible SBB Shareholders who are individuals or trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (without any allowance for indexation and after first offsetting any current year or prior year capital losses) if the BLY Shares have been held for at least 12 months between the date the BLY Shares were acquired for CGT purposes and the date of disposal for CGT purposes.

Taxation of trusts and their beneficiaries is a complex area of the taxation law and trustees should seek specific advice in relation to the tax consequences arising to them (and their beneficiaries) of any capital gains of the trust.

If the Eligible SBB Shareholder is a complying superannuation fund, two-thirds of the capital gain (without any allowance for indexation in the cost base of the shares and after offsetting applicable capital losses) will be included in the fund's assessable income if the BLY Shares have been held for at least 12 months between the date the BLY Shares were acquired for CGT purposes and the date of disposal for CGT purposes.

For the purposes of determining the CGT acquisition date of consolidated BLY Shares, the consolidated BLY Shares should have the same CGT date of acquisition as the original BLY Shares to which they relate.

The CGT discount is not available to companies.

### What will be my CGT cost base?

Generally, the CGT cost base for a BLY Share will be the amount that you paid to acquire the BLY Share, and the market value of any property given to acquire your BLY Shares, together with certain non-deductible incidental costs of acquisition, for example stamp duty and brokerage, and certain non-deductible incidental costs of disposal.

As your BLY Shares will be bought back on a post-consolidation basis, each element of the cost base and reduced cost base of the consolidated BLY Shares, at the time of the Share Consolidation, should be the sum of the corresponding elements of the cost base and reduced cost base of each original BLY Share you held.

### Can the CGT cost base be indexed?

If you are not a company and you acquired (for CGT purposes) BLY Shares at or before 11:45am (ACT time) on 21 September 1999, you may choose whether to index the cost base to 30 September 1999 or to apply the CGT discount. A company is permitted to index the cost base of Shares acquired before 11:45 am (ACT time) on 21 September 1999, but is not permitted to apply the CGT discount.

If you acquired your BLY Shares after 11:45 am (ACT time) on 21 September 1999, you cannot index your cost base. However, you may apply the CGT discount (unless you are a company) in calculating any capital gain on disposal if you have held your BLY Shares for at least 12 months.

Indexation does not apply to the calculation of a capital loss.

The choice to apply indexation rather than the discount capital gain provisions must be made on or before the day you lodge your income tax return for the income year in which the disposal occurs. The manner in which you complete your income tax return is generally sufficient evidence of the making of a choice.

### ***(b) Non-resident Eligible SBB Shareholders***

The general summary in this section (b) applies to Eligible SBB Shareholders that are non-residents of Australia for Australian income tax purposes and meet the criteria set out in section 2.1 above.

### Withholding tax

As discussed in paragraph 2.2.1 above, no part of the Buy-Back Price should be a dividend for Australian income tax purposes. Therefore, no withholding tax should be payable by non-resident Eligible SBB Shareholders on the Buy-Back Price.

### Capital Gains Tax

Under Australian CGT rules, a taxable capital gain or capital loss generally will not arise for a non-resident Eligible SBB Shareholder participating in the Selective Buy-Back.

However, different consequences may arise if you hold BLY Shares as part of a business conducted through a permanent establishment in Australia or if you have previously resided in Australia and held the relevant BLY Shares at the time you left Australia and made a choice to treat your BLY Shares as "taxable Australian property" when you ceased to be an Australian resident.

If these circumstances apply to you, you should obtain specific Australian tax advice before making any decision to participate in the Selective Buy-Back.

### 3. **EFFECT OF SELECTIVE BUY-BACK ON BLY**

The maximum amount that BLY will spend to buy-back BLY Shares under the Selective Buy-back will be US\$500,000. The Selective Buy-Back is being undertaken in connection with the Recapitalisation and Re-domiciliation.

The Selective Buy-Back will only proceed if:

- (a) the Selective Buyback is approved by BLY Shareholders at the Extraordinary General Meeting;
- (b) the Re-domiciliation Scheme is approved by BLY Shareholders at the Re-domiciliation Scheme Meeting; and
- (c) the Creditors' Schemes are approved and become effective.

BLY Shareholders should refer to the Notice of Extraordinary General Meeting and the accompanying explanatory statement issued together with this SBB Booklet for further information about the financial impact of the Recapitalisation as well as the Selective Buy-Back.

The maximum number of BLY Shares (calculated on a post Share Consolidation basis) that would be bought back if BLY spent the maximum amount of US\$500,000 to buy back BLY Shares would be 260,080 BLY Shares (based on the average US\$/A\$ exchange rate in May 2021 of \$1.29).

### 4. **ADDITIONAL INFORMATION**

#### 4.1 **Directors and employees**

Directors and employees are entitled to participate in the Selective Buy-Back provided they are otherwise an Eligible SBB Shareholder. However, the BLY Board has determined that all directors and members of BLY management involved in determining which Tender offers are accepted or rejected by BLY will not participate in respect of any BLY Shares held legally or beneficially held by them.

#### 4.2 **BLY's right to accept or reject offers and SBB Tender Forms**

BLY may, in its absolute discretion, and at any time (including prior to the SBB Closing Date), accept or reject:

- (a) any offer to sell BLY Shares or SBB Tender Form; and
- (b) an offer to sell BLY Shares not made on the terms and conditions set out in the Buy-Back Documents, or an SBB Tender Form not submitted in accordance with the procedures set out in the Buy-Back Documents.

BLY will not accept any SBB Tender Forms that contain a Tender for their BLY Shares from any person:

- (a) who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) located in the United States, a US Person, a resident of Canada or otherwise; or
- (b) that appear to BLY or its agents to have sent their SBB Tender Form from the United States or by an Excluded Foreign Person.

BLY may do each of these things in relation to all or some SBB Tender Forms and/or offers to sell BLY Shares, in its absolute discretion.

BLY will not accept any offer to sell BLY Shares that it may not lawfully accept or which, if accepted, would give rise to:

- (a) an illegal or unenforceable Buy-Back Contract;
- (b) a Buy-Back Contract that BLY cannot otherwise lawfully perform; or
- (c) a Buy-Back Contract that BLY determines would be impractical to perform.

#### 4.3 **BLY's right to adjust offers and SBB Tender Forms**

BLY may, in its absolute discretion and at any time:

- (a) deem any offer to sell BLY Shares it receives or any SBB Tender Form containing a Tender for BLY Shares that it receives to be a valid offer to sell BLY Shares or a valid SBB Tender Form containing a Tender for BLY Shares;
- (b) disregard any offer or any SBB Tender Form it believes should be disregarded; and
- (c) waive any or all of the requirements for making, amending, withdrawing or submitting:
  - (i) an offer to sell BLY Shares; or
  - (ii) an SBB Tender Form.

BLY may do each of these things in relation to all or some offers to sell BLY Shares it receives or SBB Tender Forms it receives.

Once you have submitted an SBB Tender Form containing a Tender in respect of your BLY Shares, the Share Registry will place your BLY Shares in a 'sub-position' in the BLY Share Register and you will not be able to trade those BLY Shares until the next business day after the Buy-Back Date or otherwise released at the discretion of BLY if the Selective Buy-Back does not proceed.

#### 4.4 **Privacy**

BLY is conducting the Selective Buy-Back in accordance with the Corporations Act. This involves the collection of personal information contained in the SBB Tender Form to enable BLY to process your SBB Tender Form. If you do not provide this information, BLY may be hindered in, or prevented from, processing your SBB Tender Form.

The personal information collected by BLY will only be disclosed to:

- (a) the Share Registry;
- (b) a print and mail service provider;
- (c) BLY's advisors in relation to the Selective Buy-Back; and
- (d) financial institutions in respect of payments to you in connection with the Selective Buy-Back,

or as required or authorised by law.

For information about how you can access and correct your personal information and raise privacy concerns, see the Share Registry's Privacy Policy at [linkmarketservices.com.au](http://linkmarketservices.com.au) and BLY's Privacy Policy at [www.boartlongyear.com](http://www.boartlongyear.com).

#### 4.5 **Applicable law**

Each of:

- (a) the Selective Buy-Back (including this SBB Booklet and any invitation to participate in the Selective Buy-Back);
- (b) any offer to sell BLY Shares to BLY through the Selective Buy-Back;
- (c) any SBB Tender Form submitted; and
- (d) any Buy-Back Contract formed,

generally are governed by the laws of New South Wales, Australia. However, certain laws cannot be overridden and, to that extent, the Buy-Back Documents do not intend to override those laws and should be read as subject to them.

### 5. **DEFINITIONS AND INTERPRETATION**

#### 5.1 **Definitions**

In the Buy-Back Documents, unless the context otherwise requires, the following capitalised terms have these meanings.

| <b>TERM</b>                           | <b>DEFINITION</b>  |
|---------------------------------------|--|
| <b>Ares</b>                           | 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. |
| <b>ASIC</b>                           | Australian Securities and Investments Commission.  |
| <b>Ascribe</b>                        | Ascribe II Investments LLC.  |
| <b>Associate</b>                      | Has the meaning given in section 12 of the Corporations Act as if BLY was the designated body.   |
| <b>ASX</b>                            | ASX Limited (ABN 98 008 624 691), or the securities exchange operated by it, as the context requires.  |
| <b>ASX Settlement</b>                 | ASX Settlement Pty Limited (ABN 49 008 504 532).   |
| <b>ASX Settlement Operating Rules</b> | The settlement operating rules of ASX Settlement.  |
| <b>ATO</b>                            | Australian Taxation Office.  |
| <b>Authorised Nominee</b>             | CHES Depository Nominees Pty Limited (ACN 071 346 503; Australian Financial Services Licence number  |



| <b>TERM</b>               | <b>DEFINITION</b>  |
|---------------------------|--|
|                           | 254514), an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.   |
| <b>BLY</b>                | Boart Longyear Limited (ACN 123 052 728).  |
| <b>BLY Board</b>          | The board of directors of BLY from time to time.   |
| <b>BLY Group</b>          | BLY and its subsidiaries.  |
| <b>BLY Share</b>          | A fully paid ordinary share in the capital of BLY.   |
| <b>BLY Share Register</b> | The register of members of BLY maintained by or on behalf of BLY in accordance with section 168(1) of the Corporations Act.  |
| <b>BLY Shareholder</b>    | A person entered in the BLY Share Register as the holder of a BLY Share.   |
| <b>Buy-Back Contract</b>  | The contract formed on the Buy-Back Date between an Eligible SBB Shareholder and BLY, if BLY accepts the Eligible SBB Shareholder's offer to sell BLY Shares to BLY under the tender process.  |
| <b>Buy-Back Date</b>      | The implementation date of the Creditors' Schemes, which will be announced by BLY to the ASX. This is the date of disposal of BLY Shares acquired under the Selective Buy-Back.  |
| <b>Buy-Back Documents</b> | This SBB Booklet and the SBB Tender Form.  |
| <b>Buy-Back Price</b>     | The price at which BLY will buy back BLY Shares from Tenders it accepts in the Selective Buy-Back, which is A\$2.48 per BLY Share (calculated on a post Share Consolidation basis).  |
| <b>Capital Proceeds</b>   | The greater of the Buy-Back Price and the CGT Value.   |
| <b>CBP</b>                | CCP II Acquisition Holdings, LLC., Centerbridge Credit Partners 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.   |
| <b>CDI</b>                | A CHESS Depository Interest, 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. |
| <b>CHESS</b>              | The clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.  |
| <b>CHESS Holder</b>       | A holder of BLY Shares on the CHESS sub-register of BLY.   |
| <b>CGT</b>                | Australian capital gains tax.  |
| <b>CGT Value</b>          | What would have been the market value of your BLY Shares at the time of the Selective Buy-Back, if the   |

| <b>TERM</b>                          | <b>DEFINITION</b>  |
|--------------------------------------|--|
|                                      | Selective Buy-Back did not occur and was never proposed to occur.  |
| <b>Commissioner</b>                  | The Commissioner of Taxation.  |
| <b>Corporations Act</b>              | <i>Corporations Act 2001</i> (Cth).  |
| <b>Corre</b>                         | Corre Partners Management, LLC and those entities affiliated with it including Corre Opportunities Qualified Master Fund, LP and Corre Horizon Fund, LP.   |
| <b>Court</b>                         | The Supreme Court of New South Wales.  |
| <b>Creditors' Schemes</b>            | Has the meaning given to it in the Notice of Extraordinary General Meeting.  |
| <b>Eligible SBB Shareholder</b>      | A person who: <ul style="list-style-type: none"> <li>(a) is the registered holder of BLY Shares as at the SBB Record Date which have an aggregate value equal to less than A\$3,000 (calculated by reference to the closing price of BLY Shares on ASX on the SBB Record Date);</li> <li>(b) is a Non-Associated Shareholder; and</li> <li>(c) is not a Excluded Foreign Person.</li> </ul>  |
| <b>Excluded Foreign Persons</b>      | Anyone who falls within any of the following exclusions: <ul style="list-style-type: none"> <li>(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;</li> <li>(b) any other BLY Shareholders to whom BLY would be prohibited, pursuant to any act, rule or regulation in any jurisdiction, from making payments;</li> <li>(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: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul> |
| <b>Exit Financing Facility</b>       | Has the meaning given to that term in the Notice of Extraordinary General Meeting.   |
| <b>Extraordinary General Meeting</b> | The extraordinary general meeting of BLY Shareholders convened by the Notice of Extraordinary General Meeting to consider, among other things, the Recapitalisation and the Selective Buy-Back which is to be held on Wednesday, 8 September 2021.   |
| <b>FPA</b>                           | First Pacific Advisors, LP and those entities affiliated with it including FPA New Income, Inc., Motion Picture Industry Health Plan (Active), Motion Picture Industry   |

| <b>TERM</b>                                    | <b>DEFINITION</b>  |
|--|--|
|  | Health Plan (Retiree), Motion Picture Industry Individual Account Plan, SAG-AFTRA Health Plan, The Health Plan of West Virginia, Inc. and The Nature Conservancy.  |
| <b>Issuer Sponsored Holdings</b>               | A holding of BLY Shares on the issuer sponsored sub-register of BLY.   |
| <b>ITAA 36</b>                                 | <i>Income Tax Assessment Act 1936</i> (Cth).   |
| <b>Non-Associated Shareholder</b>              | A BLY Shareholder who is not any of the following:<br>(a) a TLA Purchaser, TLB Purchaser, SSN Noteholder or SUN Noteholder on the SBB Record Date or at any time after that date; or<br>(b) an Associate of any of the persons referred to in paragraph (a).   |
| <b>Notice of Extraordinary General Meeting</b> | The notice convening the Extraordinary General Meeting and explanatory statement.  |
| <b>Nut Tree</b>                                | Nut Tree Capital Management and Nut Tree Master Fund, LP.  |
| <b>New BLY Parent</b>                          | Boart Longyear Ltd. (Ontario Corporation No. 002854330), a company incorporated in Ontario Canada and which will, subject to implementation of the Re-domiciliation Scheme, become the parent company of the BLY Group.  |
| <b>Opening Date</b>                            | Thursday, 29 July 2021, or such other date as determined by BLY.   |
| <b>PS LA 2007/9</b>                            | ATO Practice Statement PS LA 2007/9 entitled "Share Buy Backs".  |
| <b>Recapitalisation</b>                        | The proposed recapitalisation of BLY announced by BLY on 13 May 2021, as further described in the Notice of Extraordinary General Meeting.   |
| <b>Re-domiciliation</b>                        | The proposed re-domiciliation of BLY to Canada to be effected by way of the Re-domiciliation Scheme.   |
| <b>Re-domiciliation Scheme</b>                 | 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 by BLY Shareholders in exchange for New BLY Parent CDIs. |
| <b>Re-domiciliation Scheme Meeting</b>         | The meeting of BLY Shareholders ordered by the Court pursuant to section 411(1) of the Corporations Act to consider the resolution to approve Re-domiciliation Scheme.   |
| <b>Restructuring Support Agreement</b>         | Has the meaning given to that term in the Notice of Extraordinary General Meeting.   |
| <b>SBB Booklet</b>                             | This buy-back booklet (whether in paper or electronic format).   |
| <b>SBB Closing Date</b>                        | 7:00pm on Monday, 6 September 2021, or such other date as determined by BLY and announced to ASX.  |

| <b>TERM</b>                      | <b>DEFINITION</b>   |
|----------------------------------|---|
| <b>SBB Record Date</b>           | 7:00pm (Sydney time) on Wednesday, 28 July 2021, or such other date as determined by BLY.   |
| <b>SBB Tender Period</b>         | The period within which Eligible SBB Shareholders may lodge a Tender in accordance with the Buy-Back Documents, which commences on the date of the SBB Booklet and ends on the SBB Closing Date.        |
| <b>SBB Tender Form</b>           | The personalised form enclosed with this SBB Booklet which can be used by an Eligible SBB Shareholder to tender an offer to sell their BLY Shares to BLY under the Selective Buy-Back.                  |
| <b>Scheme Creditors</b>          | Has the meaning given in the Notice of Extraordinary General Meeting.   |
| <b>Second Court Date</b>         | Has the meaning given to that term in the Notice of Extraordinary General Meeting.  |
| <b>Secured Creditors' Scheme</b> | Has the meaning given to that term in the Notice of Extraordinary General Meeting.  |
| <b>Selective Buy-Back</b>        | The buy-back of BLY Shares by way of a tender process as set out in the Buy-Back Documents.   |
| <b>Share Consolidation</b>       | The conversion of every 20 BLY Shares into 1 BLY Share which is intended to be effected prior to the completion of the Selective Buy-Back, as described in the Notice of Extraordinary General Meeting. |
| <b>Share Purchase Plan</b>       | The Share Purchase Plan giving certain eligible BLY Shareholders an opportunity to subscribe for BLY Shares in accordance with the terms and conditions in the SPP Offer Booklet.                       |
| <b>Share Registry</b>            | Link Market Services Limited (ABN 54 083 214 537).  |
| <b>SPP Application Form</b>      | The application form in respect of the Share Purchase Plan and enclosed with the SPP Offer Booklet.   |
| <b>SPP Offer Booklet</b>         | The document setting out the terms and conditions of the Share Purchase Plan dated 29 July 2021.  |
| <b>SSN Noteholders</b>           | Has the meaning given in the Notice of Extraordinary General Meeting.   |
| <b>SUN Noteholders</b>           | Has the meaning given in the Notice of Extraordinary General Meeting.   |
| <b>TD 2004/22</b>                | Taxation Determination TD 2004/22.  |
| <b>Tender</b>                    | An offer, tendered on the SBB Tender Form by an Eligible SBB Shareholder in accordance with the Buy-Back Documents, to sell their BLY Shares to BLY under the Selective Buy-Back.                       |
| <b>TLA Purchasers</b>            | Has the meaning given in the Notice of Extraordinary General Meeting.   |
| <b>TLB Purchasers</b>            | Has the meaning given in the Notice of Extraordinary General Meeting.   |

| TERM                               | DEFINITION  |
|------------------------------------|---|
| <b>United States</b>               | The United States of America, its territories and possessions, any State of the United States and the District of Columbia.   |
| <b>Unsecured Creditors' Scheme</b> | Has the meaning given to that term in the Notice of Extraordinary General Meeting.  |
| <b>US Person</b>                   | Has the meaning given by Regulation S under the United States Securities Act of 1933, as amended from time to time.   |
| <b>VWAP</b>                        | The volume weighted average BLY Share price among all trades on ASX's trading platform over the specified period. This includes trades in the daily closing single price auction but excludes: <ul style="list-style-type: none"> <li>(a) all off-market trades such as transactions defined in the ASX Operating Rules as: <ul style="list-style-type: none"> <li>(i) special crossings</li> <li>(ii) crossings prior to the commencement of the open session state</li> <li>(iii) crossings during overnight trading</li> <li>(iv) overseas trades</li> <li>(v) trades pursuant to the exercise of options over BLY Shares; and</li> </ul> </li> <li>(b) any other trades that are not fairly reflective of supply and demand, as determined by BLY.</li> </ul> |
| <b>Working Capital Facilities</b>  | Has the meaning given in the Notice of Extraordinary General Meeting.   |

## 5.2 Interpretation

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting the Buy-Back Documents, except where the context makes it clear that a rule is not intended to apply.

- (a) A singular word includes the plural, and vice versa.
- (b) A word which suggests one gender includes the other genders.
- (c) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (d) 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.
- (e) The words **associate, controller, entity, officer, related body corporate, relevant interest, security interest, subsidiary** and **voting power** have the same meanings as given by the Corporations Act.
- (f) A reference to:
  - (i) \$ or AUD or A\$ is to the lawful currency of Australia; and
  - (ii) US\$ or USD is to the lawful currency of the United States of America.
- (g) a reference to time is a reference to the time in Sydney, New South Wales.