

28 November 2018

## VOTE FOR REDOMICILIATION

### LETTER FROM BOART LONGYEAR SHAREHOLDER

Dear Boart Longyear Shareholder,

#### Shareholder Letter from Snowside Pty Limited

A Boart Longyear shareholder, Snowside Pty Limited (**Snowside**), has recently written to shareholders and provided them with a proxy form asking them to give their proxy to Anthony Maurici to vote against the proposal to re-domicile Boart Longyear to Canada (the **Re-domiciliation**).

As set out in Snowside's letter, Snowside failed in its court actions to stop the restructure agreed to with the Company's major creditors, which Boart Longyear shareholders overwhelmingly supported and which was completed on 25 September 2017. As a result of the restructure the Company's debt was reduced, its liquidity improved and its debt maturities were extended. Snowside has filed in the Supreme Court of New South Wales an application alleging oppression based on the restructure and is opposing the Re-domiciliation in part on the basis of an allegation that the Re-domiciliation could have a negative impact on its oppression proceedings against the Company.

The Snowside letter states that the Snowside Parties' oppression proceedings will likely be defeated by the redomiciliation. The Federal Court of Australia heard arguments on this issue on 26 November 2018, and the matter is listed again on 29 November 2018. Your Board does not agree with the Snowside Parties' proposition. The Company submitted to the Court that this is not correct and is not a reason for the Court not to approve the scheme of arrangement effecting the Re-domiciliation (**Scheme**). The Court has not yet determined this issue.

After careful consideration of the advantages, disadvantages and risks, your Board concluded that the advantages of the Re-domiciliation significantly outweighed the disadvantages. Your Board encourages you to read the Explanatory Memorandum (EM) provided to Boart Longyear shareholders which contains disclosure of both the advantages and disadvantages. Your Board points you to the detailed **comparison of Australian and Canadian company rules** (set out in Section 8.4 of the EM (on pages 47-48) and the taxation report summarising the **Australian tax implications** (set out in Section 9 of the EM on pages 53-56).

## What you should do

Your Board recommends that you read the EM in full and encourages you to vote at the scheme meeting to be held on 6 December 2018 (**Scheme Meeting**) (in person or by proxy).

### Directors' Recommendation - VOTE FOR

The Boart Longyear Board unanimously recommends that you approve the Re-domiciliation and **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

### Independent Expert Opinion

The Boart Longyear Board commissioned Grant Thornton to prepare the Independent Expert's Report. The Independent Expert considered the advantages and disadvantages of the Re-domiciliation and concluded in its opinion that the Re-domiciliation is in the best interests of Boart Longyear shareholders. The Report is contained in Appendix A of the Scheme Booklet.

## Overview of the Re-domiciliation

You are being asked to consider and vote on the proposal to change Boart Longyear's domicile from Australia to Canada.

Under the Re-domiciliation, eligible Boart Longyear shareholders will acquire the same proportionate interests they presently hold in Boart Longyear in a new holding company incorporated in British Columbia, Canada, Boart Longyear Incorporated (**Boart Longyear 'Canada'**). Those interests will be held in the form of Chess Depository Instruments (representing a beneficial interest in a share in Boart Longyear 'Canada') (**CDIs**).

The Re-domiciliation will not result in any changes to Boart Longyear's management, operations or strategy and Boart Longyear will continue to be listed on ASX and Boart Longyear shareholders will be able to trade their CDIs on ASX. The Re-domiciliation is consistent with the Company's broader strategy to minimise overhead costs and to streamline and make its group structure more efficient. It is expected that the Re-domiciliation will assist in achieving these objectives.

To effect the Re-domiciliation, it must be approved by:

- (a) a majority in number of Boart Longyear shareholders (more than 50%) of those Boart Longyear shareholders present and voting at the Scheme Meeting (in person, by proxy, attorney or corporate representative);
- (b) at least 75% of the total number of votes cast on the Scheme resolution at the Scheme Meeting by Boart Longyear shareholders.

The Scheme must then also be approved by the Court.

**Your vote is important**

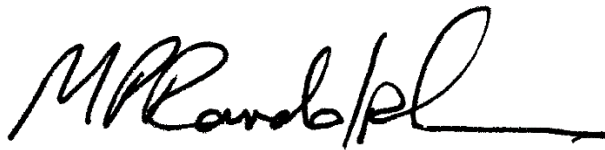
Even if you have already lodged a proxy vote, you are able to change your proxy vote at any time up until the proxy voting deadline by lodging a fresh proxy vote online or by completing and returning your proxy form. If voting by proxy then your valid vote must be received no later than 11.00am (Adelaide time) on 4 December 2018.

For your convenience, you can lodge a proxy vote online, [here](#).

**Further Information**

If you require assistance with voting or have any questions about the Re-domiciliation, please call the Shareholder Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (from outside Australia).

The Board thanks you for your support and looks forward to your continuing involvement with the Boart Group.



Marcus Randolph  
Chairman  
Boart Longyear Limited