

INFORMATION MEMORANDUM

For application for admission to the official list of ASX Limited

Boart Longyear Group Ltd.
ARBN 652 848 103

1. PURPOSE OF THIS INFORMATION MEMORANDUM

This Information Memorandum is dated 23 September 2021 and has been prepared by Boart Longyear Group Ltd. ARBN 652 848 103, a corporation incorporated in Ontario, Canada with Ontario Corporation No. 002854330 (the **Company**) in connection with its application for:

- (a) admission to the official list of ASX Limited (ABN 98 008 642 691) (**ASX**); and
- (b) official quotation of the common shares of the Company (represented by CHESD Depositary Interests (**CDIs**)) on the ASX.

The CDIs are to be issued in connection with the proposed scheme of arrangement between Boart Longyear Limited ACN 123 052 728 (**BLY**) and its members under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Scheme**).

This document is not a prospectus or disclosure document complying with the Corporations Act and will not be lodged with the Australian Securities & Investment Commission (**ASIC**) under the Corporations Act.

This Information Memorandum does not constitute or contain any:

- (a) offer for sale or issue of the Company's securities; or
- (b) invitation to subscribe for or purchase any the Company's securities.

Neither ASIC or ASX nor any of their officers take any responsibility for the contents of this Information Memorandum.

2. THE COMPANY IS INCORPORATED IN CANADA

As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act of the Commonwealth of Australia or by ASIC but instead are regulated by the Ontario Business Corporations Act and its constituent documents which include its Articles.

There are differences in how securities and financial products are regulated under Canadian law and Australian law. The rights, remedies and compensation arrangements available to Australian investors in securities by companies incorporated in Canada differ from the rights, remedies and compensation arrangements for Australian securities and financial products. The taxation treatment of Canadian securities and financial products is not the same as that for Australian securities and financial products.

3. INCORPORATION OF DOCUMENTS BY REFERENCE

Capitalised and defined terms in the Explanatory Memorandum issued by BLY dated 29 July 2021 (**Explanatory Memorandum**) and included as Annexure C to this Information Memorandum have the corresponding meaning when used in this Information Memorandum unless stated otherwise. However, any capitalised or defined term in this Information Memorandum prevails to the extent there is any conflict or inconsistency with those in the Explanatory Memorandum.

This Information Memorandum should be read in conjunction with the Explanatory Memorandum issued by BLY in respect of the Scheme.

The Explanatory Memorandum is incorporated into this Information Memorandum by reference.

A copy of the Explanatory Memorandum can also be viewed on the ASX website: www2.asx.com.au referenced under BLY (ASX code: BLY).

4. **ASX LISTING**

On 13 May 2021, BLY announced, among other things, that it is proposing to re-domicile the BLY Group to Canada by way of a scheme of arrangement between BLY and its shareholders pursuant to Part 5.1 of the Corporations Act.

This Information Memorandum has been issued by the Company in order to satisfy certain content and admission requirements prescribed in Chapter 1 of the ASX Listing Rules (**Listing Rules**) and to comply with various conditions imposed on the Company by certain waivers of the Listing Rules granted by ASX to the Company to facilitate the Company's proposed listing on ASX.

Refer to Annexure A for further information.

An application was made to ASX on 30 July 2021 for the Company to be admitted to the official list of ASX and for the Company's securities to be granted official quotation on the securities exchange operated by ASX.

The fact that ASX may admit the Company to the official list of ASX is not to be taken in any way as an indication of the merits of the Company.

5. **SCHEME CONSIDERATION**

The consideration to be provided by the Company to each Scheme Shareholder is one (1) common share in the Company in the form of a CHESS Depositary Interest (**Company CDI**), for each one (1) BLY Share held by a Scheme Shareholder at the Re-domiciliation Scheme Record Date.

6. **DISCLOSURE OF INTERESTS**

6.1 **Directors**

Other than as set out in the Explanatory Memorandum, no director or proposed director of the Company or any entity in which any such director or proposed director is a member or partner has at the date of this Information Memorandum, or within two years before the date of this Information Memorandum had, any interests in the promotion of the Company or in any property acquired or proposed to be acquired by the Company and no amounts, whether in cash or securities or otherwise, have been paid or agreed to be paid by any person to any director or proposed director or to any entity in which the director or proposed director is a member or partner, either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them or by the entity in connection with the promotion or formation of the Company.

6.2 **Experts**

Other than as set out in the Explanatory Memorandum, no expert named in the Explanatory Memorandum or entity in which any such expert is a member or partner has any interest in the promotion of the Company or in any property acquired or proposed to be acquired by the Company and no amounts, whether in cash or securities or otherwise, have been paid or agreed to be paid by any person to any such expert or to any entity in which any such expert is a member or partner for services rendered by him or her or the entity in connection with the promotion or formation of the Company.

7. **STATEMENT FROM DIRECTORS**

The directors of the Company believe that the Company has enough working capital to carry out its stated objectives.

8. **DIRECTOR NOMINATION RIGHTS**

The Company will enter into director nomination agreements with:

- (a) affiliates of Ascribe;
- (b) affiliates of Centerbridge;
- (c) affiliates of Corre;
- (d) affiliates of FPA; and
- (e) affiliates of Nut Tree,

(the **Director Nomination Agreements**) as further described in section 6.4 (*Director nomination rights*) of the Explanatory Memorandum.

It is a condition of the Company's admission to the Official List of ASX, that any directors nominated to be directors of the Company pursuant to the terms of the Director Nomination Agreements be required to provide good fame and character checks to the ASX prior to their appointment to the board of the Company.

9. **ACCOUNTING AND AUDITING STANDARDS**

The Company has obtained a confirmation from ASX that (i) the Company may prepare its accounts in US dollars in accordance with IFRS (accounts may be audited or reviewed in accordance with International Standards on Auditing) and (ii) the Company will not be required to provide a statement reconciling its accounts to Australian accounting standards or other international accounting standards or reconciling its audit standards to Australian or other international audit standards, as section 3.6 of Guidance Note 4 states that ASX will accept IFRS and generally accepted accounting standards and principles applied in Canada.

Following listing on ASX, New BLY Parent's auditor will apply the Australian Auditing Standards.

Refer to Annexure A and sections 7.7 (*Audit standards*) of the Explanatory Memorandum at Annexure C for further information.

10. **ASSUMPTION DEED POLL**

On 26 July 2021, the Company executed the Assumption Deed Poll a copy of which is contained at Appendix D (Assumption Deed Poll) of the Explanatory Memorandum. Under the terms of the Assumption Deed Poll, the Company has agreed from the Re-domiciliation Scheme Effective Date to assume the obligations of BLY to:

- (a) each holder of New Warrants;
- (b) each holder of Class A 7% Warrants;
- (c) each holder of Class B 7% Warrants;
- (d) each holder of Ordinary Warrants; and
- (e) each holder of a BLY Option.

The Company confirms that exercise price of each of the BLY Options, the Class A 7% Warrants, Class B 7% Warrants, Ordinary Warrants and the New Warrants exceeds 20 cents.

11. **CORPORATE GOVERNANCE**

A copy of the Company's corporate governance statement on its compliance with the ASX Corporate Governance Council's Principles and Recommendations is contained in Annexure B.

12. **AUTHORISATION**

Each director of the Company has given (and has not withdrawn) their consent to the lodgement of this Information Memorandum with ASX.



Kevin McArthur



Jeffrey Olsen



Tye Burt



Jason Ireland



James Kern



Rubin McDougal



Robert Smith



Conor Tochilin

Date of signatures:

23 September 2021

Annexure A

ASX Waivers and Confirmations

LISTING RULE	WAIVER/ CONFIRMATION RECEIVED FROM ASX
A - Confirmations	
Listing Rule 1.1 condition 3	Information memorandum: ASX has provided a confirmation that the ASX will accept an information memorandum incorporating the Explanatory Memorandum as acceptable in place of a prospectus or PDS for the purposes of the Company's application for admission to the Official List of the ASX pursuant to Listing Rule 1.1 condition 3.
Listing Rule 1.7 <i>Appendix 1A Information Form and Checklist (Listing Checklist)</i>	<p>Appendix 1A Information Form and Checklist: ASX has provided a confirmation that the Company will not be required to comply with the following paragraphs of the Appendix 1A Information Form and Checklist (Listing Checklist):</p> <ol style="list-style-type: none">1) <u>paragraphs 22 and 23</u> to the extent necessary to permit the Information Memorandum not to include:<ol style="list-style-type: none">a) a diagram of the group structure identifying each material child entity and the nature and location of the business activities it undertakes; orb) a list of all material child entities identifying each such entity's name, its place of incorporation or registration, the nature of its business and BLY's percentage holding in it;2) <u>paragraph 28</u> to the extent necessary to permit the Information Memorandum not to include details of the material terms of any securities other than ordinary shares on issue, proposed to be issued before New BLY's Parent's admission to the official list of ASX or proposed to be issued following the Company's admission to the official list of ASX in accordance with material contracts;3) <u>paragraph 29</u> to the extent necessary to permit the Information Memorandum not to include a statement that the Company's free float at the time of admission to the official list of ASX will be not less than 20%, subject to ASX granting a waiver from Listing Rule 1.1 condition 8;4) <u>paragraph 34</u> to the extent necessary to permit the Information Memorandum not to include a description of the history of the Company;5) <u>paragraph 35</u> to the extent necessary to permit the Information Memorandum not to include a description of the Company's existing and proposed activities and level of operations;6) <u>paragraph 36</u> to the extent necessary to permit the Information Memorandum not to include a description of the material business risks faced by the Company;7) <u>paragraph 42</u> to the extent necessary to permit the Information Memorandum not to include:<ol style="list-style-type: none">a) the material terms of employee incentive schemes; or

LISTING RULE**WAIVER/ CONFIRMATION RECEIVED FROM ASX**

- b) a statement as to whether directors are entitled to participate in the employee incentive scheme and, if they are, the extent to which they currently participate or are proposed to participate;
- 8) paragraph 43 to the extent necessary to permit the Information Memorandum not to include details of the existence and main terms of any material contracts, and the provision to ASX of copies of any material contracts;
- 9) paragraphs 44 and 45 to the extent necessary to permit the Information Memorandum not to include a summary of the material terms of, or a copy of, any employment, service or consultancy agreement, and a summary of any other material contract, which the Company or any of its child entities has entered into with:
 - a) its Chief Executive Officer or proposed Chief Executive Officer;
 - b) any of its directors or proposed directors; or
 - c) any other person or entity who is a related party of the persons referred to in (a) or (b) above;
- 10) paragraph 46 to the extent necessary to permit the Company not to provide a confirmation that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with the Listing Checklist, provided that ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time the Company applies for admission;
- 11) paragraph 47 to the extent necessary to permit the Company not to provide a copy of the Company's most recent annual report; and
- 12) paragraphs 51 to 68 (inclusive) to the extent necessary to permit the Company not to provide the information required in paragraphs 51 to 68 provided that ASX grants a waiver from Listing Rule 1.1 condition 9.

Listing Rule 19.11A

Financial accounts: The Company has obtained a confirmation from ASX that (i) the Company may prepare its accounts in US dollars in accordance with IFRS (accounts may be audited or reviewed in accordance with International Standards on Auditing) and (ii) the Company will not be required to provide a statement reconciling its accounts to Australian accounting standards or other international accounting standards or reconciling its audit standards to Australian or other international audit standards, as section 3.6 of Guidance Note 4 states that ASX will accept IFRS and generally accepted accounting standards and principles applied in Canada.

LISTING RULE**WAIVER/ CONFIRMATION RECEIVED FROM ASX****B - Waivers**

Listing Rule 1.1
condition 8

Minimum spread test: ASX has granted the Company a waiver from Listing Rule 1.1 condition 8 to the extent necessary to permit the Company to be admitted to the Official List of ASX without satisfying the spread requirements of that rule, on the condition that BLY was in compliance with Listing Rule 12.4 (*Level of spread*) at the time BLY ceases to trade on the ASX.

Listing Rule 1.1
condition 9

Asset or profit test: ASX has granted the Company a waiver from Listing Rule 1.1 condition 9 to the extent necessary to permit the Company to be admitted to the Official List of ASX without complying with Listing Rules 1.2 and 1.3 on the condition that BLY is in compliance with Listing Rules 12.1 (*Level of operations*) and 12.2 (*Financial condition*) at the time BLY ceases to trade on ASX.

Listing Rule 1.4.1

Prospectus information: ASX has granted the Company a waiver from Listing Rule 1.4.1 to the extent necessary to permit the information memorandum prepared for the proposed restructure not to state that it contains all information required under section 710 of the Corporations Act, subject to the following conditions:

- 1) the information memorandum incorporates the Explanatory Memorandum for the Re-domiciliation Scheme;
- 2) the Company releases to the market as pre-quotation disclosure all of the documents incorporated by reference into the Explanatory Memorandum; and
- 3) the Company provides a statement to the market that BLY has confirmed to it that BLY was in compliance with Listing Rule 3.1 (*Immediate notice of material information*) at the time BLY ceased trading on ASX.

Listing Rule 1.4.7

Capital raising: ASX has granted the Company a waiver to the extent necessary to permit the Information Memorandum not to include a statement that the Company has not raised any capital for the 3 months prior to the date of issue of the Information Memorandum, and will not need to raise any capital in the 3 months after the date of issue of the Information Memorandum.

Listing Rule 1.4.8

Supplementary information: ASX has granted the Company a waiver to the extent necessary to permit the Information Memorandum not to include a statement that a supplementary information memorandum will be issued if, between the date of issue of the Information Memorandum and the date on which the Company Shares are quoted, the Company becomes aware of the matters referred to in Listing Rule 1.4.8, on condition that BLY undertakes to ASX to release any such information to the ASX Announcements Platform.

Listing Rule 6.10.3

Voting: ASX has granted the Company a waiver from Listing Rule 6.10.3 to the extent necessary to permit the Company to comply with the laws of Ontario Canada on security holders' rights to vote.

LISTING RULE**WAIVER/ CONFIRMATION RECEIVED FROM ASX**

Listing Rule 14.2.1

Proxies: ASX has granted the Company a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form the option for a holder of the Company's shares of the Company CDIs to vote against a resolution to elect a director or to appoint an auditor, subject to various conditions including that the waiver only applies for so long as the relevant laws of Ontario prevent the Company from permitting securityholders to vote against a resolution to elect a director and vote against a resolution to appoint an auditor.

Annexure B
Corporate Governance Statement

This Corporate Governance Statement (**Statement**) sets out the key features of Boart Longyear Group Ltd.'s (**Boart Longyear** or **Company**) governance framework and reports against the Corporate Governance Principles and Recommendations (4th edition February 2019) (**ASX Guidelines**). Unless otherwise noted, the Company intends to follow all of the best practice recommendations set out in the ASX Guidelines at all times during the year. This Statement is current as at the date of admission of the Company to the Official List of the ASX (**Listing**) and has been approved by the Board of Directors of the Company.

The Board is committed to conducting the Company's business in accordance with high standards of corporate governance. The Board has adopted an appropriate system of internal controls, risk management framework and corporate governance policies and practices.

The Company's corporate governance policies and its Board and committee charters will be available, upon Listing, on the Company's website in accordance with Recommendation 6.1 of the ASX Guidelines.

The Board of Directors

Go to [Board of Directors Charter](#)

The Company's board of directors (**Board**) is responsible for verifying and approving the strategic goals of the Company and for oversight of management and direction of the Company's global business strategy, with the ultimate aim of increasing shareholder value.

In accordance with Recommendation 1.1 of the ASX Guidelines, the Board has in place a formal charter for the effective operation of the Board. The charter sets out:

- the Board's composition requirements;
- the term of office for directors;
- processes for evaluating director and Board performance;
- the role and responsibilities of the Board Chairman;
- the Board's functions and responsibilities, including matters specifically reserved for the Board;
- the authority delegated to the Chief Executive Officer and Company management;
- the Board's criteria for assessing director independence; and
- other administrative provisions.

The key functions and responsibilities of the Board include:

- defining the Company's purpose, providing strategic direction to management and approving the Company's global business strategies and objectives;
- approving the Company's Statement of Values and [Code of Business Conduct](#);
- monitoring the operational and financial position and performance of the Company, including approving budgets and business plans;
- monitoring the Company's capital structure (including debt capacity and liquidity);
- reviewing management's recommendations regarding the Company's funding requirements and available sources of funding, and any alternatives the Board considers appropriate;
- reviewing the prudence of gearing levels, interest cover and compliance with banking and other financial covenants;
- satisfying itself that financial and other reporting mechanisms are put in place which result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
- reviewing the composition, diversity, performance and compensation of the Board and management, including planning for executive succession;
- overseeing the risk appetite for the Company (for both financial and non-financial risks, including environmental and social risks) and taking reasonable steps designed to ensure that management establishes a sound risk management framework, including, in consultation with the Audit, Safety and Risk Committee, reviewing the framework at least annually;
- reviewing the cyber security risks faced by the business and taking reasonable steps designed to ensure that management establishes a sound framework to reasonably address such risks, including, in consultation with the Audit, Safety and Risk Committee;
- overseeing appropriate procedures to ensure compliance with all laws, governmental regulations (including tax requirements) and accounting standards;
- reviewing from time to time, the Company's internal compliance procedures so that the Company's business is conducted in an open and ethical manner in accordance with the Company's values and policies and in accordance with the Company's duties and obligations under applicable Work Health and Safety laws;
- establishing, disclosing and implementing the Company's diversity policy;
- reviewing and, to the extent necessary, amending the Board and Committee Charters regularly;
- reviewing the Company's health and safety program to ensure that management establishes a sound framework including in consultation with the Audit, Safety and Risk Committee;
- approving the compensation of the Chief Executive Officer in consultation with the Remuneration, Nominations and Governance Committee;

- determining the level of authority delegated to the Chief Executive Officer and the Company's senior management; and
- whenever required, challenging management and holding it to account.

The Board has delegated to the Chief Executive Officer and to the Company's executive management responsibility for managing the business of the Company in compliance with Board policies, legal requirements and the fundamental standards of ethics and integrity reflected in the Company's *Code of Business Conduct*. The Board policies and charter set clear thresholds for management authority and ensure accountability to, and oversight by, the Board and/or its committees for the approval of specific matters, including remuneration of senior executives, changes to the Company's share capitalisation, declaration of dividends, the Company's annual operating budget, material acquisitions and divestitures and changes to corporate strategy. Delegations are periodically reviewed by the Board and may be changed by the Board at any time.

In accordance with Recommendation 1.4 of the ASX Guidelines, the Board is also assisted by the Company secretaries, who are directly accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board and compliance with ASX Listing Rules and Guidelines.

Composition of the Board

Go to [Board of Directors](#)

The Board, upon Listing, will comprise of seven non-executive directors and one executive director. The Company's constituting documents provide for a minimum of three and maximum of nine Directors. The Board continues to hold a diverse range of skills and experiences to act effectively and in the best interests of the Company's shareholders.

The Company's executive director is Mr Jeffrey Olsen, President and Chief Executive Officer (**CEO**) of the Company.

Skills and diversity of the Board

In accordance with Recommendation 2.2 of the ASX Guidelines, the Board, with the assistance of its Remuneration, Nominations and Governance Committee, will regularly assesses the skills and diversity of the Board and considers whether the Board's composition and mix of skills are sufficient for the Board to competently discharge its responsibilities and meet its objectives. Upon Listing, the Board considers that together, the Board members have the broad range of skills, extensive experience and knowledge and sufficient diversity necessary to oversee the Company's business.

The following Board skills matrix demonstrates the skills, experience and diversity of the directors in office as at the date of this Statement.

Skill	Percentage of Board with Skill as Area of Significant Experience
Mining Operations and Manufacturing	100%
Engineering/Technology	62.5%
Accounting/Finance	100%
Mergers & Acquisitions	100%
Human Resources	100%
Governance	100%
Information Technology	62.5%

Tenure	Percentage
<2 years	50%
2-5 years	50%
> 5 years	0%

Gender	Percentage
Male	100%
Female	0%

Geography	Percentage with Significant Experience in Location
North America	100%
South America	75%
Australia/NZ	75%
Europe	88%
Asia	75%

Director independence

Go to [Board of Directors Charter](#)

In accordance with Recommendation 2.3 of the ASX Guidelines, the Company recognises that a majority of its directors should be independent, and the Board will review director independence at least annually. In assessing the independence of non-executive directors, the Board will consider the criteria detailed in the Board Charter and the ASX Guidelines including, whether a director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

The Board will annually assess the independence of each director in accordance with the Board's independence criteria. The Board has determined that Messrs. McArthur, Ireland, Smith, Burt, Kern and McDougal are independent directors, and thereby will on Listing comprise a majority of independent directors, in accordance with Recommendation 2.4 of the ASX Guidelines.

The Board has considered the independence of several directors in light of their relationships with significant shareholders of the Company. Mr. Tochilin is not regarded as independent due to his current employment with Centerbridge Partners, L.P. (**Centerbridge**), a significant shareholder in the Company as at the date of Listing.

Board processes

The Board intends to meet at least five times a year and convenes additional meetings as required. Certain senior executives will participate in Board and committee meetings to provide the directors with access to key operating, financial and compliance personnel on a regular basis. In addition, the directors will have access to other Company employees in Board and committee meetings and in other settings.

Board and Director nomination and selection

The Company will, with effect from Listing, be subject to Canadian law governed director nomination agreements (**Director Nomination Agreements**) with certain of its substantial shareholders being Centerbridge and a separate group of shareholders comprising affiliates of affiliates of Ascribe Management, LLC, affiliates of Corre Partners Management, LLC, affiliates of First Pacific Advisors, LP, and affiliates of Nut Tree Capital Management (each an **AHG Member** together the **Ad Hoc Group**).

A summary of Centerbridge and the Ad Hoc Group's rights to nominate directors to the Board under the Director Nomination Agreements where the Board comprises nine directors is set out in the following table:

	Centerbridge	Ad Hoc Group
Percentage shareholding in the Company (as applicable)	Number of directors who can be nominated under the Director Nomination Agreement with Centerbridge	Number of directors who can be nominated under the Director Nomination Agreements with the AHG Members
40% or more	5	3
35.00% or more but less than 40.00%	4	3
30% or more but less than 35.00%	3	3
20% or more but less than 30.00%	2	2
10% or more but less than 20.00%	1	1
Less than 10%	0	0

The nomination rights afforded to Centerbridge and the Ad Hoc Group under the Director Nomination Agreements mean that the ongoing composition of the Board will not comply with Recommendation 2.1 of the ASX Guidelines. Under Recommendation 2.1, ASX considers that the board of a listed entity should maintain a nomination committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.

The Company will undertake appropriate checks of nominees put forward in accordance with the Director Nomination Agreements as part of assessing their suitability for appointment to the Board or election by shareholders. When candidates are submitted to shareholders for election or re-election, the Company includes in the notice of meeting all information in its possession that is material to the decision whether to elect or re-elect the candidate.

Director induction and continuing education process

In accordance with Recommendation 1.3 of the ASX Guidelines, upon appointment, non-executive directors will be given an appointment letter setting out the terms of appointment. The letter details the director's obligations, including to:

- act in the best interests of the Company at all times;
- submit to re-election from time to time as required by the Company's constating documents;
- notify the Chairman of any change in circumstances that might prevent the director from being regarded as independent;
- comply with the Company's constating documents, governance policies and all applicable legal requirements, including the Company's Securities Trading Policy;
- devote sufficient time to prepare for and attend Board meetings and otherwise to discharge the director's duties;
- keep confidential, and not use for the benefit of any person or party other than the Company, any confidential information of the Company; and
- disclose any directorships, business interests or circumstances that might represent conflicts of interests or reasonably be perceived to interfere with the exercise of the director's independent judgment, or have an adverse impact on the Company's reputation or public profile.

The appointment letter also confers certain benefits and rights upon the director, including indemnities and insurance coverage for liabilities arising out of the discharge of the director's duties and unfettered access to papers, information and employees of the Company. In addition, directors may, with the approval of the Chairman, consult with professional advisors.

In accordance with Recommendation 2.6 of the ASX Guidelines, the Company will have an induction process for new directors to inform them of the nature of the Company's business, strategies, risks and issues, and expectations about director performance, including awareness of continuous disclosure principles. The Company's induction process also includes meetings with senior management, including the leaders of the Company's business units and administrative functions. As at the date of Listing, the Company has completed its induction process for all of its current directors.

To ensure that existing directors maintain the skills and knowledge required to perform their role effectively, the Board regularly considers the skills and knowledge relevant to the Company, the industry in which the Company operates and the obligations of a listed company director and ensures that directors engage in continuing education in respect of these skills where gaps are identified. In addition, the Company occasionally engages professional advisors and other third parties to assist with the directors' awareness of regulatory developments and matters impacting on the discharge of their duties.

Board Committees

The Board will be assisted by the following committees during the financial year ending 31 December 2021 in discharging its responsibilities:

- Audit, Safety and Risk Committee; and
- Remuneration, Nominations and Governance Committee.

The committees have written charters that are reviewed annually. All non-executive directors may attend any committee meeting. The chair of each committee reports on committee proceedings at the next Board meeting, and minutes of all committee meetings are circulated to directors in subsequent Board meeting papers.

The committees will be the same committees (and contain the same committee members) that were adopted by Boart Longyear Limited. Details about the skills and experience of each Board and Committee member, can be found on pages 34-35 of Boart Longyear Limited's 2020 Annual Report.

Audit, Safety and Risk Committee

Go to [Audit, Safety and Risk Committee Charter](#)

The Company places a high priority on safety, management of operational risks and compliance with environmental laws and regulations. In accordance with Recommendations 4.1 and 7.1 of the ASX Guidelines, the Audit, Safety and Risk Committee will assist the Board in the effective discharge of its responsibilities in relation to:

- external and internal audit functions;
- accounting policies;

- financial reporting;
- financial matters including treasury risks and practices (including hedging and risk management), insurance requirements and employee benefit plan investment policies;
- performance and funding requirements;
- business risk monitoring;
- certain legal and regulatory compliance matters;
- assessment of health, safety and environmental policies, processes and programs to ensure consistent with Company's strategy and risk tolerance; and
- review of safety, health, environmental and security related emergency response planning procedures of the Company.

The Audit, Safety and Risk Committee charter also sets out the duties of the Audit, Safety and Risk Committee, including to:

- evaluate, and review the appointment of, the external auditor, including the provision of non-audit services;
- make recommendations on the appointment, and performance, of the internal auditor;
- review the accounting policies of the Company;
- review in detail and report to the Board on the integrity of the Company's half year and annual financial statements (as well as any other scheduled reporting period that the Company may be subject to, from time to time), which will be reviewed and audited respectively by the Company's external auditor in accordance with Recommendation 4.3 of the ASX Guidelines;
- assist the Board as required in relation to the identification of the principal financial and compliance risks faced by the Company and review steps taken by management to implement controls and otherwise mitigate risks;
- receiving and reviewing reports from management on the status of compliance with the safety, health and environmental policies of the Company and on compliance with all applicable regulatory requirements including, where considered appropriate, through internal and external audits;
- in the event of the occurrence of a material safety, health or environmental incident, which occurrence is required to be reported to appropriate regulatory authorities and may have a material effect on the financial condition or reputation of the Company, receiving and reviewing reports from management detailing the nature of the incident and describing the remedial action being taken;
- review such other safety, health and environmental matters as the Audit, Safety and Risk Committee may consider suitable or the Board may specifically direct;
- review the cyber security risks facing the Company; and
- review proposed new (or amendments to existing) safety, health or environmental regulations in jurisdictions applicable to the Company and its Directors and officers.

Under the Audit, Safety and Risk Committee Charter, the Audit, Safety and Risk Committee is to consist of at least three members, all of whom are non-executive directors, and the Chair should be an independent director who is not the Chair of the Board. It is expected that each member of the Committee should be financially literate, and at least one member should have significant expertise in financial reporting, accounting or auditing. The members of the Audit, Safety and Risk Committee are Messrs McDougal (Chair), Kern, Smith and Burt.

Remuneration, Nominations and Governance Committee

Go to [Remuneration, Nominations and Governance Committee](#)

In accordance with Recommendations 8.1 of the ASX Guidelines, the Board has established a Remuneration, Nominations and Governance Committee, which supports the Board in the effective discharge of its responsibilities in relation to:

- remuneration of the CEO and non-executive directors;
- recruitment and retention of senior management; and
- Board composition including succession planning and board diversity.

In particular, the scope of the Remuneration, Nominations and Governance Committee's responsibilities includes:

- reviewing the executive remuneration policy of the Company to ensure that it motivates management to pursue the Company's strategic priorities and is clearly linked to performance;
- reviewing the policy and any proposed change for the remuneration of non-executive directors, including the process for allocating the fee pool approved by shareholders;
- reviewing safety objectives for purposes of the Company's corporate bonus plan (or such other incentive programs as may be relevant) and making recommendations to the Board regarding the appropriateness of those objectives;
- assessing the skills required for the Board to competently discharge its responsibilities and meet its objectives;
- making recommendations to the Board in relation to the appointment and re-election of directors; and
- reviewing the diversity policy of the Company and reporting to the Board on whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

Under Recommendation 8.1 of the ASX Guidelines, the Remuneration, Nominations and Governance Committee is to consist of at least three directors, the majority of whom will be independent directors and all of whom will be non-executive directors. The Chair of the Remuneration, Nominations and Governance Committee should also be an independent director. Both the Chair (Mr Burt) and Mr Ireland are independent directors, and Mr Tochilin is not independent by virtue of his employment with Centerbridge.

Performance evaluation and remuneration

Board and Director performance

In accordance with Recommendation 1.6 of the ASX Guidelines, the Board will regularly monitor its performance and the performance of the directors and committees throughout the year and also conduct a review of their performance on an annual basis. The Board's formal assessment process includes performance assessments of the Board, Board committees and individual directors. As part of the assessment process, each director and certain executives complete a questionnaire on the operation of the Board and its committees and the performance and contributions of the directors. The results of the questionnaires are compiled by the Chair of the Board or committee, as applicable. Board and committee performance evaluations are expected to be completed during the financial year ending 31 December 2021.

Executive performance

In accordance with Recommendation 1.7 of the ASX Guidelines, the Company will employ a structured performance evaluation process to ensure that senior executives are motivated to deliver shareholder value and are accountable to the Board at all times. The process commences each financial year when the Board establishes and approves corporate performance objectives, as well as individual performance objectives for senior managers of the Company. The Company will continuously monitor its remuneration plans and arrangements to ensure they remain appropriate for its executives, directors and shareholders.

Performance against each senior executive's strategic personal objectives impacts the potential incentive an executive may receive under the Company's short-term incentive plan and long term incentive plan, which also sets corporate financial performance and safety objectives that must be met. Senior executive performance evaluations for 2021 are expected to be performed in the first quarter of 2022.

Remuneration

Details regarding the policies and practices of Boart Longyear Limited regarding the remuneration of non-executive directors, executive directors and senior executives are contained on pages 20-33 of Boart Longyear Limited's 2020 Annual Report (**2020 Remuneration Report**). The 2020 Remuneration Report also details the results of the above performance evaluations of the Company's senior executives and the impacts on individual remuneration levels.

Non-executive directors are not entitled to receive any performance-related remuneration, such as performance related short-term or long-term cash or share incentives. Non-executive directors are remunerated by a fixed annual base fee with additional fees paid for serving on Board committees.

Each executive director and senior executive has a written contract with Boart Longyear Limited, details of which are included in the 2020 Remuneration Report for Boart Longyear Limited.

Risk management and sustainability

Go to [Risk Management Policy](#)

In accordance with Recommendation 7.2 of the ASX Guidelines, the Board recognises that disciplined risk management and sound internal controls are fundamental to good corporate governance, and the Company will maintain an Enterprise Risk Management (**ERM**) system to systematically assess the consequences of risk in areas such as market, health and safety, environment, finance, legal compliance and reputation and tracks appropriate mitigation actions for identified risks.

The Company's risk management framework consists of a number of controls, including:

- documented systems, procedures, authorities and delegations for the orderly management of the Company;
- policies and ethical standards, and ensuring that employees understand such obligations;
- risk-based internal audits to test the Company's controls and assist management with the enforcement of Company policies;
- certifications from management and process owners throughout the Company regarding the design and operation of risk management systems, internal controls and compliance;
- a formal risk management system, overseen by the Associate General Counsel and the Audit, Safety and Risk Committee, based on a written risk management policy; and
- regular corporate risk identification and mitigation reviews.

The Board will annually review the risk registers prepared by corporate management as well as the risk management framework and take reasonable steps to implement appropriate controls and otherwise mitigate risk.

Integrity of financial reporting

In accordance with Recommendation 4.2 of the ASX Guidelines, prior to approving the Company's financial statements for a reporting period, the Board will receive from its Chief Executive Officer and Chief Financial Officer a declaration that, in their

opinion, the financial records of the entity have been properly maintained, the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and the opinion has been formed on the basis of a sound system of risk management and internal controls that is operating effectively.

The declarations will be supported by certifications made to the Chief Executive Officer and Chief Financial Officer by certain operating and financial managers of each of the Company's divisions as well as other accounting, tax and financial personnel in the Company's significant operating jurisdictions. The certification framework provides a reasonable, but not absolute, level of assurance and does not imply a guarantee against adverse events or more volatile outcomes arising in the future. Management will also report to the Board on the effectiveness of the Company's management of material business risks.

Internal Audit

In accordance with Recommendation 7.3 of the ASX Guidelines, the Company will, upon Listing, have a robust global internal audit function which is independent from the external auditor, is staffed by three professional auditors and is led by the Company's Director of Global Audit & Risk, who reports to the Audit, Safety and Risk Committee as well as to the Chief Legal Officer, General Counsel and Company Secretary. Internal audit provides annual independent assurance over the effectiveness of the Company's global risk management, internal controls, and governance processes.

Environmental performance and sustainability

Go to [Environment, Health and Safety Policy and Environment, Health and Safety at Boart Longyear](#)

In accordance with Recommendation 7.4 of the ASX Guidelines, the Company is committed to responsible and ethical compliance with environmental matters and will continuously seek to minimise the environmental impact of its operations with the assistance of the Audit, Safety and Risk Committee.

The Company's environmental sustainability efforts are focused on reducing the environmental impacts of its operations, primarily as they relate to impacts to air and water quality and waste generation and establishing strategies to reduce such impacts through improved efficiencies, conservation and recycling as well as the reduced use of any hazardous substances. Additional information about the Company's environmental sustainability efforts is available on the Company's website at <http://www.boartlongyear.com/ehs/>.

The Company's operations are subject to various environmental regulations in the jurisdictions in which it operates, including in Canada and Australia under federal, state/province or territory based legislations. Applicable environmental requirements, licenses and permits are identified in each business unit's risk register, which forms part of the consolidated Company's Environmental, Health and Safety (EHS) Management System. The consolidated global EHS Risk Register is reviewed annually by the Director of EH&S to ensure that cited regulations are current and to document whether or not compliance has been achieved. Where a non-compliance is discovered, corrective actions are immediately developed to address the issue and to ensure that any reporting requirements are included in the compliance plan. All agency interactions, including inspections, meetings, hearings or the receipt of environmental citations, notices of violations, penalties or compliance orders which are considered material are tracked in the corporate EHS Management System and reported to the Board.

Mandated facility inspections are conducted monthly by each business entity globally; the inspections contain technical, EHS standard and environmental requirements. Additionally, a system of EHS internal audits will occur annually and is incorporated within the Company's EHS Management System. Each of the Company's manufacturing facilities holds its own individual ISO-9001 quality certification.

Management and the directors are not aware of any business unit operating in material breach of any environmental regulations, including under any applicable law of the Commonwealth or of a State or Territory, during the calendar year ended 31 December 2020 or as at the date of this report. Nor is the Company aware of any fines, citations or other significant regulatory enforcement action having been taken against the Company or Boart Longyear Limited in Australia or any other jurisdiction during such period.

Material risks

Go to [2020 Annual Report, pages 18-19 – Key Risks](#)

The material risks faced by the Company will be the same as the risks faced by Boart Longyear Limited on ASX. Details regarding the material market, operational, liquidity and indebtedness, tax, government and regulatory risks faced by the Company are contained on pages 18-19 of Boart Longyear Limited's 2020 Annual Report. This section of the Annual Report explains the Company's exposure to various risks and how the exposure is managed.

Boart Longyear's policies

Code of Business Conduct, values and actions

Go to [Code of Business Conduct](#)

The Company's directors, management and employees are required to adhere to the Company's core values (as set out on the Company's website at <https://www.boartlongyear.com/company/vision-and-values/> (in accordance with Recommendation 3.1 of the ASX Guidelines), act with integrity at all times and maintain high ethical standards.

In accordance with Recommendation 3.2 of the ASX Guidelines, the Code of Business Conduct (**Code**) also applies to anyone working on behalf of the Company including vendors, suppliers, service providers, consultants and other third parties. The Company's Code addresses a broad range of matters, including:

- conflicts of interest and the preservation and proper use of Company assets;
- protection of confidential and commercially sensitive information;
- employment legislation;
- competition law and fair dealing;
- environmental protection, health and safety considerations;
- improper payments, bribery and money laundering, including transactions with government officials;
- financial reporting and accurate record-keeping; and
- each person's affirmative duty to report violations of policy or law through a global confidential compliance helpline (by telephone and by internet) monitored by a third party service provider.

The Company supplements the Code with additional global policies that provide more detailed guidance on substantive legal requirements and other principles and requires each employee to successfully complete annual compliance training courses on an ongoing basis. Such additional policies include:

- Retaliation and Whistleblower Policy;
- Workforce Diversity Policy;
- Environmental, Health & Safety and Environmental Sustainability Program;
- Competition and Antitrust;
- Anti-bribery and Anti-money Laundering;
- Procurement Practices and Global Purchasing;
- Information Security;
- Global Record Retention; and
- Social Media.

In addition, the Company maintains, and actively promotes the use of, several systems for employees and other persons to report potential violations of the Code of Business Conduct and other Company policies. Reported concerns are investigated by the Company's legal department, external legal counsel or internal audit and reported to the Board.

Securities Trading Policy

Go to [Securities Trading Policy](#)

The Company's Securities Trading Policy sets out the circumstances in which Key Management Personnel (**KMP**) including directors and senior employees and all other employees are permitted to trade in the Company's shares. The policy sets out the Company's rules for dealing in securities and the procedures KMP and other designated employees must follow for prior approval to deal in Company securities. The policy establishes closed periods when transactions may not take place and also includes prohibitions against short-term trading and hedging or other transactions.

Retaliation and Whistleblower Policy

Go to [Retaliation and Whistleblower Policy](#)

In accordance with Recommendation 3.3 of the of the ASX Guidelines, the Board has adopted a Retaliation and Whistleblower Policy, which will be the same as the policy in place for Boart Longyear Limited and confirms that the Company is committed to fostering a culture of compliance, good corporate governance and ethical behaviour and encourages the reporting of improper, unlawful or unethical behaviour.

The purpose of this Policy is to help detect and address unacceptable conduct, provide employees and contractors with a supportive working environment in which they feel able to raise issues of legitimate concern, provide avenues for the disclosure or eligible whistleblower to report unacceptable conduct and help protect those who have reasonable grounds to suspect misconduct and do report such unacceptable conduct. This Policy will also serve to comply with special protections granted to eligible whistleblowers where conditions of an act, statute, law or other legal requirement (in any country where Boart Longyear operates) are met.

Anti-bribery and Anti-money Laundering

Go to [Anti-bribery and Anti-corruption Policy](#)

Go to [Anti-money Laundering Policy](#)

In accordance with Recommendation 3.4 of the ASX Guidelines, the Company's Anti-bribery & Corruption Policy and Anti-money Laundering Policy will be the same as the policies in place for Boart Longyear Limited.

The purpose of the Anti-Bribery & Corruption Policy is to ensure the Company's employees, as well as its consultants, vendors and suppliers comply with the anti-bribery and anti-corruption laws which apply to Boart Longyear's businesses

globally. The policy explains the definition of a bribe and provides advice to avoid any action which might appear improper and to be accurate in recording all transactions. The policy also advises never to give or accept anything that might be intended to gain an improper advantage, even if local customs allow it.

The purpose of the Anti-money Laundering Policy is to prevent funds generated from a criminal activity from moving through the Company. The policy assists employees to use good judgment and pay close attention when dealing with customers and third parties by avoiding suspicious dealings such as payment of invoices with cash or money orders, paying in a currency not shown on the invoice, delivery of products to a different country from place of payment, payments received from uninvolved third parties, overpayments, suspicious fund transfers.

Workforce diversity

Go to [Workplace Diversity Policy](#)

The Company's Workforce Diversity Policy will be the same as the policy in place for Boart Longyear Limited. Based on the most recent statistics provided by Boart Longyear Limited's Remuneration and Governance Committee in accordance with Recommendation 1.5 of the ASX Guidelines and the Company's Workforce Diversity Policy, the Company's diversity objectives are noted below. Given the Company's continued focus on controlling overhead costs and the COVID-19 pandemic, employment opportunities were limited in 2020 and 2021. The limited recruitment opportunities have impacted progress towards the Company's diversity objectives as noted below.

- **Objective:** Continue progress in increasing female representation among all employees (excluding drillers and driller helpers) and more specifically in senior management.
2020 results:
 - Female representation among all employees (excluding drillers and driller helpers) remained flat at 16.9% (compared to 16.7% in 2019 and 16.8% in 2018);
 - Female representation among senior managers increased to 16.3% (from 12.2% in 2019 and 12.8% in 2018); and
 - During 2020, the Board's female gender diversity composition remained the same as 2019.
- **Objective:** Assess current recruiting practices to ensure directors and employees are selected from a diverse pool of candidates. Identify and utilise alternative recruiting sources targeting female and minority candidates.
2020 results:
 - Some progress was made on this objective (small increases as noted above), as recruitment activity in 2020 was curtailed due to the COVID-19 pandemic during 2020.
- **Objective:** Continue to increase participation in diversity programs, train and upskill nationals and indigenous in various countries.
2020 results:
 - Multi country focus on female workers in field roles with hires in each region.

The levels of gender diversity as at 31 December 2020 were:

Gender diversity	Male	Female
Total Employees	90.9%	9.1%
Total Employees (excl. Drillers and Driller Helpers)	83.1%	16.9%
Senior Managers	83.7%	16.3%
Board of Directors	100%	0%

The Company defines a "senior manager," as reflected in the above table, as an employee with a title of "director" or above. At 31 December 2020, there were 43 employees at or above such a level among a global workforce of 4,675 employees.

Continuous disclosure and communication with shareholders

Go to [External Communications Policy](#) and [Boart Longyear – Corporate Governance](#)

The Board aims to ensure that all of its shareholders and the market are kept fully and promptly informed of all potentially price-sensitive developments and changes that are likely to materially affect the Company's operations, financial results or business prospects.

In accordance with Recommendation 5.1 of the ASX Guidelines, the Company's External Communications Policy details the Company's continuous disclosure obligations and how the Company manages those obligations. The Company will ensure that information is appropriately disclosed to the market in a timely and effective manner through a variety of internal reporting and regular information monitoring processes that are overseen by the directors, the Company secretaries and management's Executive Committee. The External Communications Policy also establishes protocols for external communications to ensure that all such communications are factual, subject to internal review and authorisation prior to issue, contain all material information and are timely and expressed in a clear and objective manner. The Board will receive copies of all ASX Announcements promptly after they have been made, in accordance with Recommendation 5.2 of the ASX Guidelines.

Where a new and substantive investor or analyst presentation is given by the Company, a copy of the presentation materials will be released on the ASX Market Announcements Platform ahead of the presentation.

The Company values engagement with its shareholders, providing an understanding to the market of the Company's business, performance and governance. The Company will use the following procedures for engaging with its shareholders:

- *Periodic Reporting:* The Company will produce financial statements for its shareholders and other interested parties twice per year and allows shareholders to receive these documents by mail or access them electronically (<https://www.boartlongyear.com/company/investors/earnings-reports/>). In addition, the Company will endeavour to provide key operational and financial performance indicators on at least a quarterly basis throughout the year.
- *Annual General Meeting:* In accordance with Recommendations 6.3 and 6.4 of the ASX Guidelines, Shareholders will be encouraged to participate in the Annual General Meeting each year and are provided with an explanatory memorandum on the resolutions proposed through the Notice of Meeting. If unavailable to participate, shareholders are encouraged to appoint a proxy to vote/participate on their behalf. The Company will require its external auditor to attend each Annual General Meeting and be available to answer questions from shareholders about the conduct of the audit and the preparation and contents of the auditor's report.
- *Website:* The Boart Longyear website provides information on the Company's products and services as well as information useful to shareholders and market participants (<https://www.boartlongyear.com>). In particular, the Investor and Corporate Governance sections direct shareholders to information likely to be of greatest interest to them.
- *Investor Relations:* In accordance with Recommendation 6.2 of the ASX Guidelines, the Company posts on its website at <http://www.boartlongyear.com/company/investors/>, prompt and relevant communications for shareholders and the market generally to access, such as ASX announcements and financial results. Investors and shareholders can also contact the Company or its share registry, Link Market Services, directly by email or by mail and can in turn choose to receive communications electronically, in accordance with Recommendation 6.5 of the ASX Guidelines.

Donations

The Company contributes to the communities in which it works with donations, sponsorship and practical support. The Company does not make political donations. The Company aims to support projects that have clear objectives and outcomes in promoting the following:

- Education and opportunities for children – programs and opportunities that assist young people to develop marketable skills and competencies, particularly in the areas of engineering, science and technology; and
- Health and preventive care – programs that improve the health and safety of employees, their families and their communities by improving access to critical resources and addressing endemic illnesses, including providing access to clean water sources and supporting the development of malaria vaccinations and treatments.

The Company's donations are overseen by its management Executive Committee (being the CEO, CFO, General Counsel and Senior Vice President of Human Resources).

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Boart Longyear Group Ltd.

ABN/ARBN

652 848 103

Financial year ended:

Up to date as at the date of admission of Boart Longyear Group Ltd to the official list of ASX

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.boartlongyear.com/company/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at the date of admission of Boart Longyear Group Ltd to the official list of ASX and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 23 September 2021

Name of authorised officer
authorising lodgement: Nora Pincus
Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

Corporate Governance Council Principles and Recommendations

KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.boartlongyear.com/wp-content/uploads/Revised-BOD-Charter-11.26.19.pdf	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<input checked="" type="checkbox"/> <p>and we have disclosed a copy of our diversity policy at: https://www.boartlongyear.com/wp-content/uploads/Boart-Longyear-Workforce-Diversity-Policy.pdf and we have disclosed the information referred to in paragraph (c) at: N/A – see pages 2-3 and 9 of our Corporate Governance Statement and see page 20 of Boart Longyear Limited's 2020 Annual Report 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>pages 1 to 6 of our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>N/A - a performance evaluation of the directors in respect of their appointment to Boart Longyear Group Ltd. is yet to be completed as noted on page 6 of our Corporate Governance Statement.</p> <p>Details about the performance evaluation undertaken by Boart Longyear Limited can be found at page 6 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: page 6 of our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>Details about the performance evaluation undertaken by Boart Longyear Limited can be found at page 6 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the nomination committee at:</p> <p>https://www.boartlongyear.com/company/corporate-governance/</p> <p>In relation to paragraph (4), at pages 5 and 6 of our Corporate Governance Statement.</p> <p>In relation to paragraph (5), disclosure in relation to the committee of Boart Longyear Limited can be found at page 36 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>page 2 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: page 3 of our Corporate Governance Statement. and, where applicable, the information referred to in paragraph (b) at: page 3 of our Corporate Governance Statement. and the length of service of each director at: N/A – the directors have been appointed with effect from the date of listing.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: https://www.boartlongyear.com/company/vision-and-values/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.boartlongyear.com/wp-content/uploads/1_BOART-COC_English2019.pdf	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://www.boartlongyear.com/wp-content/uploads/Retaliation-and-Whistleblower-Policy.pdf	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.boartlongyear.com/wp-content/uploads/Anti-Bribery-Policy-1.pdf	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>https://www.boartlongyear.com/wp-content/uploads/ASRC-Committee-Charter-02-21-18.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>N/A – the information referred to in paragraphs (4) and (5) in relation to Boart Longyear Limited can be found at pages 34-36 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.boartlongyear.com/company/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.boartlongyear.com/ and https://www.boartlongyear.com/company/investors/ and https://www.boartlongyear.com/company/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.boartlongyear.com/company/investors/events-and-presentations/ and https://www.boartlongyear.com/company/investors/fag/ and https://www.boartlongyear.com/wp-content/uploads/1487.5_LCM49850_VM-Online-Guide-BLY_Audio_ISS2_v1.0.pdf	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>https://www.boartlongyear.com/wp-content/uploads/ASRC-Committee-Charter-02-21-18.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>N/A – the information referred to in paragraphs (4) and (5) in relation to Boart Longyear Limited can be found at pages 34-36 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>N/A – Disclosure in relation to Boart Longyear Limited's review of its risk management framework undertaken during the reporting period, can be found at pages 17-19 and 71-75 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p> <p>and pages 6-8 of our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>pages 6-7 of our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>N/A – Disclosure in relation to Boart Longyear Limited's material exposure to environmental and social risks can be found at pages 18-19 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>N/A – Disclosure in relation to Boart Longyear Limited's management or intended management of those risks can be found at pages 18-19 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p> <p>And pages 1, 6-8 of our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>https://www.boartlongyear.com/company/corporate-governance/</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>In relation to paragraph (4), at page 6 of our Corporate Governance Statement.</p> <p>In relation to paragraph (5), disclosure in relation to the committee of Boart Longyear Limited can be found at pages 23-24 and 34-36 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>Disclosure in relation to Boart Longyear Limited's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives which intend to be adopted by the Company can be found in Boart Longyear Limited's Remuneration Report on pages 20-33 of Boart Longyear Limited's 2020 Annual Report accessible at http://www.boartlongyear.com/company/investors/annual-reports</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: https://www.boartlongyear.com/company/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Annexure C
Explanatory Memorandum

BOART LONGYEAR LIMITED
EXPLANATORY MEMORANDUM
ABN 49 123 052 728

**NOTICE IS GIVEN OF A SCHEME MEETING TO BE HELD ON 8 SEPTEMBER 2021
COMMENCING AT 10:30 AM (SYDNEY TIME) AT ASHURST, LEVEL 11, 5 MARTIN PLACE,
SYDNEY NEW SOUTH WALES 2000 AND ONLINE**

THIS EXPLANATORY MEMORANDUM COMPRISES:

- An Explanatory Memorandum to explain the proposed scheme of arrangement between Boart Longyear Limited and its shareholders
- An information memorandum for the listing of Boart Longyear Ltd (the proposed holding company of Boart Longyear Limited) on ASX

**THE DIRECTORS OF BOART LONGYEAR LIMITED UNANIMOUSLY RECOMMEND THAT
SHAREHOLDERS VOTE IN FAVOUR OF THE RE-DOMICILIATION SCHEME RESOLUTION**

**THE RE-DOMICILIATION INDEPENDENT EXPERT HAS CONCLUDED THE RE-
DOMICILIATION SCHEME IS, ON BALANCE, IN THE BEST INTERESTS OF SHAREHOLDERS**

This is an important document and requires your immediate attention.

You should read the whole of this document before you decide whether and how to vote on the Re-domiciliation Scheme Resolution. If you are in doubt as to what you should do, please consult your financial or other professional adviser.

**Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.**



DISCLAIMER AND IMPORTANT NOTICE

General

This Explanatory Memorandum is important. You should read this Explanatory Memorandum and the accompanying appendices in its entirety before making a decision as to how to vote on the Re-domiciliation Scheme Resolution.

Purpose of the Explanatory Memorandum

The purpose of this Explanatory Memorandum is to explain the terms of the Re-domiciliation and the manner in which the Re-domiciliation will be considered and implemented (if approved), to set out certain information required by law and to provide all other information (other than information previously disclosed to Shareholders) which is known to BLY, and which is material to the decision of Shareholders whether or not to vote in favour of the Re-domiciliation Scheme Resolution.

This Explanatory Memorandum contains the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

This Explanatory Memorandum is also an information memorandum for the listing of New BLY Parent on ASX and the official quotation of New BLY Parent Shares (represented by New BLY Parent CDIs) and the Ordinary Warrants on ASX.

This Explanatory Memorandum is not a prospectus lodged under Chapter 6D of the Corporations Act in respect of BLY's securities. Section 708(17) of the Corporations Act provides that an offer of securities does not need disclosure under Chapter 6D if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act, approved at a meeting held as a result of an order made by the Court under section 411(1) or section 411(1A) of the Corporations Act.

Preparation and responsibility

This Explanatory Memorandum (other than the Re-domiciliation Independent Expert's Report) has been prepared by BLY. BLY takes responsibility for the content of this Explanatory Memorandum other than

the Re-domiciliation Independent Expert's Report.

KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215 (**KPMG**) has prepared the Re-domiciliation Independent Expert's Report. KPMG takes responsibility for the Re-domiciliation Independent Expert's Report. To the maximum extent permitted by law, none of BLY, New BLY Parent nor any of their subsidiaries, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Re-domiciliation Independent Expert's Report.

Court

The fact that the Court, under section 411(1) of the Corporations Act, has ordered that the Re-domiciliation Scheme Meeting be convened and has approved the Explanatory Memorandum required to accompany the Notice of the Re-domiciliation Scheme Meeting does not mean that the Court:

- has approved or will approve the terms of the Re-domiciliation;
- has formed any view as to the merits of the Re-domiciliation or as to how Shareholders should vote; or
- has prepared, or is responsible for, the content of this Explanatory Memorandum.

Regulatory Authorities

A copy of this Explanatory Memorandum was provided to ASIC for examination in accordance with section 411(2) of the Corporations Act and registered by ASIC in accordance with section 412(6) of the Corporations Act. BLY has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Re-domiciliation Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

A copy of this Explanatory Memorandum has also been lodged with ASX. New BLY Parent will also progress an application for New BLY Parent to be admitted to the official list and for official quotation of the

New BLY Parent Shares (represented by New BLY Parent CDIs) and Ordinary Warrants on ASX.

The fact that ASX may admit New BLY Parent to the official list of ASX does not make any statement regarding, and should not be taken in any way as an indication of, the merits of an investment in New BLY Parent.

None of ASIC, ASX nor any of their officers takes any responsibility for the contents of this Explanatory Memorandum.

No investment advice

This Explanatory Memorandum has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Shareholder or any other person. The information and recommendations contained in this Explanatory Memorandum do not constitute, and should not be taken as, financial product advice. Before making any investment decision you should carefully consider whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances. The BLY Board encourages you to consult your financial, legal, taxation or other an independent and appropriately licensed and authorised professional adviser before making any investment decision and any decision as to whether or not to vote in favour of the Re-domiciliation.

Forward looking statements

Certain statements in this Explanatory Memorandum relate to the future. These statements may include, without limitation, any statements preceded by, followed by, or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of BLY or New BLY Parent to be materially different from future results, performance or

achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies, an assessment of present economic and operating conditions and the environment in which the New BLY Parent will operate in the future, which may prove to be incorrect. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, the risk factors described in this Explanatory Memorandum, and other unknown risks and uncertainties. Forward looking statements should, therefore, be construed in light of such risk factors and reliance should not be placed on forward looking statements.

Other than as required by law, neither BLY nor New BLY Parent nor any other person, gives any representation, assurance or guarantee that the occurrence of the events, results and outcomes expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

The forward looking statements in this Explanatory Memorandum reflect views held only at the date of this Explanatory Memorandum. Subject to the Corporations Act, the ASX Listing Rules or any other applicable laws, BLY and their directors and officers and New BLY Parent and their directors and officers disclaim any obligation or undertaking to disseminate after the date of this Explanatory Memorandum any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Estimates and rounding

Unless otherwise indicated, all references to estimates (and derivations of the same) in this Explanatory Memorandum are references to estimates by BLY as appropriate. BLY estimates are based on views at the date of this Explanatory Memorandum and actual facts or outcomes may be materially different.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding.

Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimate, calculations of value and fractions set out in this Explanatory Memorandum.

Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

Foreign Jurisdictions

The release, publication or distribution of this Explanatory Memorandum (electronically or otherwise) outside of Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of it should seek advice and observe the restrictions set out in section 11.12 of the Explanatory Memorandum. Any failure to comply with those restrictions may contravene applicable laws or regulations. BLY disclaims all liabilities to such persons.

This Explanatory Memorandum has been prepared in accordance with the laws and regulations of Australia and the information contained in this Explanatory Memorandum may not be the same as that which would have been disclosed if this Explanatory Memorandum had been prepared in accordance with the laws and regulations of any other country.

This Explanatory Memorandum and the Re-domiciliation do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify this Explanatory Memorandum, the Re-domiciliation, the New BLY Parent Shares or the New BLY Parent CDIs, or otherwise permit a public offering of New BLY Parent CDIs, in any jurisdiction outside of Australia

Shareholders who are not resident in Australia should have regard to the additional information in section 11.12 of this Explanatory Memorandum.

Timetable and dates

All times and dates referred to in this Explanatory Memorandum are Sydney, Australia time, unless otherwise indicated. All times and dates relating to the implementation of the Re-domiciliation referred to in this Explanatory Memorandum may change and, among other things, are subject to all the necessary approvals from regulatory authorities.

External websites

Unless expressly stated otherwise, the content of BLY's website (<https://www.boartlongyear.com/>) does not form part of this Explanatory Memorandum and Shareholders should not rely on any such content.

Further information

Shareholders requiring assistance in understanding the matters raised in this document should call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) on Business Days from 9.00 am to 5.00 pm (Sydney time) Monday to Friday (excluding public holidays).

Date of this Explanatory Memorandum

This Explanatory Memorandum is dated 29 July 2021. Unless otherwise indicated, all information included in this Explanatory Memorandum (including views, recommendations and statements of intention) is current as at that date.

CHAIRMAN'S LETTER

29 July 2021

Dear Shareholder,

I am pleased to invite you to attend the Re-domiciliation Scheme Meeting to consider and vote on the proposal to transfer Boart Longyear Limited's (**BLY** or the **Company**) domicile from Australia to Canada (the **Re-domiciliation**) by way of scheme of arrangement between BLY and its shareholders.

Overview of the Recapitalisation Transactions

As announced on 13 May 2021, BLY entered into the Restructuring Support Agreement (**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 Restructuring Support Agreement also reflects BLY's desire to pursue and implement the Re-domiciliation in connection with the Recapitalisation.

The Recapitalisation will convert approximately US\$795 million of BLY's debt and accrued interest costs owing to Scheme Creditors under the Term Loan A, Term Loan B, the SSN Indenture and the SUN Indenture into approximately 98.5% of BLY's post-Recapitalisation ordinary shares (before (1) the issue of any Shares under the Share Purchase Plan or the Creditor Share Purchase Option, (2) the issue of any Shares on exercise of any New Warrants, Existing Warrants and BLY Options, (3) any buy back of Shares under the Selective Buy-Back and (4) the issue of any Shares under any management incentive plan). If approved and implemented the Recapitalisation will significantly reduce BLY's debt, strengthen the balance sheet, lower interest expenses and enhance liquidity to support BLY's operations and future growth.

The Recapitalisation will primarily be implemented by two interdependent creditors' schemes of arrangement between BLY and its creditors under Part 5.1 of the Corporations Act. These schemes of arrangement comprise the Secured Creditors' Scheme and the Unsecured Creditors' Scheme (together, the **Creditors' Schemes**) and will effect a release of all outstanding amounts under the Term Loan A, Term Loan B, SSN Indenture and SUN Indenture, in consideration for:

- (a) the issuance to the TLA Purchasers, TLB Purchasers, SSN Noteholders and SUN Noteholders of Shares equal to in aggregate 98.5% of BLY's post-Recapitalisation ordinary shares (before (1) the issue of any Shares on the exercise of any New Warrants, Existing Warrants and BLY Options (2) the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option, (3) any buy-back of Shares under the Selective Buy-Back, and (4) the issue of any Shares under any management incentive plan) (the **New Common Equity**);
- (b) the issuance of the New Warrants to SUN Noteholders in accordance with the terms of the Unsecured Creditors' Scheme with a strike price per Warrant Share of A\$2.79 (the **New Warrants Issuance**); and
- (c) the offer, first to SUN Noteholders, then to TLA Purchasers, TLB Purchasers and SSN Noteholders of the opportunity to purchase Shares at a price of A\$2.48 per Share (calculated on a post-Share Consolidation basis), up to an aggregate cap of US\$2.5 million plus any unsubscribed amount under the Share Purchase Plan (the **Creditor Share Purchase Option**).

BLY is also proposing to undertake the following in connection with the Recapitalisation:

- **Share Consolidation:** a 20 for 1 share consolidation to reduce the number of Shares on issue which will be effected prior to issue of any new Shares under the Creditors' Schemes, Share Purchase Plan and Creditor Share Purchase Option and the completion of the Selective Buy-Back;
- **Selective Buy-Back:** provided that the Re-domiciliation Scheme Resolution is approved by the Requisite Majorities, Shareholders approve the Selective Buy-Back at the EGM and the Creditors' Schemes become Effective, Eligible SBB Shareholders who hold parcels of Shares valued at less than AU\$3,000 will have the opportunity, under certain conditions, to offer to sell their Shares to BLY under a Selective Buy-Back for A\$2.48 per Share (calculated on a post-Share Consolidation basis) which is the same price as the implied issue price of Shares issued under the Creditors' Schemes. 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 aggregate amount that BLY will spend to buy-back Shares under the Selective Buy-Back will be 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 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 Shares without incurring brokerage fees and other expenses.

- **Share Purchase Plan:** offer Eligible SPP Shareholders the opportunity to subscribe for up to AU\$30,000 of Shares at a price of A\$2.48 per Share (calculated on a post-Share Consolidation basis) under a share purchase plan, to raise up to a maximum of US\$2.5 million.
- **Exit Financing Facility:** refinance the Existing Backstop ABL and the Incremental Finance Facility pursuant to the Exit Financing Facility.

The table set out below provides an overview of the share price for each of the Share Purchase Plan and the Selective Buy-Back (being options available to Shareholders) and the CSPO (being an option available to Scheme Creditors).

Shareholder Transactions		Pricing (on a post-Share Consolidation basis)
Issue of new shares under 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

Implementation of the Recapitalisation is subject to a number of conditions, including (amongst others):

- Creditors of BLY approving the Creditors' Schemes by the requisite majorities;
- Court approval of the Creditors' Schemes; and

- Shareholders of BLY approving the Recapitalisation Resolutions by the requisite majorities.

Overview of the Re-domiciliation

In connection with the Recapitalisation, BLY proposes to re-domicile its corporate and tax domicile to Ontario, Canada. Canada was chosen after a review of the benefits, disadvantages and risks as against remaining incorporated in Australia and re-domiciling to the United States. The BLY Board is unanimously of the view that the advantages of the Re-domiciliation significantly outweigh the disadvantages and risks.

The Re-domiciliation is subject to, amongst other things:

- (d) approval of the Re-domiciliation Scheme by:
 - (i) greater than 50% in number of Shareholders present and voting at the Re-domiciliation Scheme Meeting (in person, by proxy, by attorney or by a corporate representative); and
 - (ii) at least 75% of the total number of votes cast on the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting,
 (the **Requisite Majorities**); and
- (e) approval by the Court of the Re-domiciliation Scheme; and
- (f) the Creditors' Schemes becoming effective.

If the Re-domiciliation Scheme is approved by Shareholders and the Court and becomes Effective:

- All of the Shares will be transferred to a new holding company incorporated in Ontario, Canada, Boart Longyear Ltd (**New BLY Parent**) and BLY will become a wholly owned subsidiary of New BLY Parent.
- Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive in exchange for each Share held by them on the Re-domiciliation Scheme Record Date a CHESS Depositary Interest representing a beneficial interest in a New BLY Parent Share (**New BLY Parent CDI**) which will be able to be traded on the ASX.
- Ineligible Foreign Shareholders will not be eligible to receive New BLY Parent CDIs under the Re-domiciliation Scheme. Instead, the New BLY Parent CDIs to which Ineligible Foreign Shareholders would otherwise be entitled will be issued to a nominee appointed by BLY who will sell those New BLY Parent CDIs and Ineligible Foreign Shareholders will receive the net proceeds from the sale of those New BLY Parent CDIs.

The diagrams below show the simplified current structure of the BLY Group and the proposed structure of the group following implementation of the Re-domiciliation Scheme.

Advantages	Disadvantages	Associated Risks
<ul style="list-style-type: none"> ✓ 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 ✓ Reduced cost of insurance 	<ul style="list-style-type: none"> ✗ Additional cost and administrative burden to implement the Re-domiciliation Scheme ✗ For Australian based shareholders, a change in jurisdiction ✗ Ineligible Foreign Shareholders will not be able to receive New BLY Parent CDIs ✗ The Re-domiciliation Scheme may have adverse taxation implications for individual Shareholders 	<ul style="list-style-type: none"> ○ The Re-domiciliation may fail to realise the full anticipated benefits ○ The exact value of New BLY Parent CDIs is not certain ○ Tax risks for BLY associated with the Re-domiciliation

You are also encouraged to consider:

- the taxation report summarising the **Australian tax implications** for certain eligible Shareholders who dispose of their Shares and acquire New BLY Parent CDIs under the Re-domiciliation Scheme (see Section 9);
- the taxation report summarising the **Canadian tax implications** for certain Shareholders in respect of the exchange of Shares and the acquisition and holding of New BLY Parent Shares received pursuant to the Re-domiciliation Scheme (see Section 10); and
- the **comparison of Australian and Canadian company rules** (Section 8.4), particularly in the context of the explanation of CDI arrangements in Appendix E.

Governance and management

Under the terms of the Restructuring Support Agreement, BLY has agreed that the post-Recapitalisation composition of the BLY Board, and if the Re-domiciliation is implemented, the New BLY Parent Board, will consist of nine directors and include:

- (a) the Chief Executive Officer;
- (b) the CBP Nominee Directors, comprising five directors nominated by CBP; and
- (c) the Ad Hoc Group Nominee Directors, comprising three directors nominated by the Ad Hoc Group.

The director nomination rights will be documented through the entry into director nomination agreements pursuant to which, whilst the BLY Board is comprised of nine directors, BLY will grant to CBP the right to nominate up to five persons for appointment to the BLY Board, and the Ad Hoc Group the right to nominate up to three persons for appointment to the BLY Board (**BLY Director Nomination Agreements**).

If the Re-domiciliation is approved and implemented, the director nomination rights contemplated by the Restructuring Support Agreement will be documented by director nomination agreements pursuant to which New BLY Parent will grant each of CBP and the Ad Hoc Group rights to nominate

the same number of persons for appointment as directors on the board of New BLY Parent (**New BLY Parent Director Nomination Agreements**). The New BLY Parent Director Nomination Agreements will be governed by Canadian law.

The BLY Director Nomination Agreements (and, if the Re-domiciliation is approved and implemented, the New BLY Parent Director Nomination Agreements) will replace existing director nomination rights granted to CBP, Ares and Ascribe under the current director nomination agreements between those parties and BLY.

In the event that the BLY Board increases in size from nine to ten directors at any time (excluding alternate directors) in accordance with 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 the Company, Centerbridge will have the right to nominate six directors for appointment to the BLY Board.

In accordance with the Articles and By-Laws, the New BLY Parent Board shall comprise a maximum of nine directors.

Your vote is important

Your vote is important, as the Re-domiciliation can only be implemented if the Re-domiciliation Scheme Resolution is approved by the Requisite Majorities at the Re-domiciliation Scheme Meeting to be held at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000 at 10:30am (Sydney time) on 8 September 2021. Shareholders will also be able to attend and participate in the Re-domiciliation Scheme Meeting via an online platform. Further details relating to the Re-domiciliation Scheme Meeting are set out in the Notice of Re-domiciliation Scheme Meeting set out at Appendix F to this Explanatory Memorandum.

In considering your vote, I strongly encourage you to read this Explanatory Memorandum (including the Re-domiciliation Independent Expert's Report) in full. You should also consider seeking your own independent professional advice.

I strongly encourage you to vote on this important transaction for BLY.

Section 2.4 provides further information on how you can vote by proxy, by attorney, or if you are a body corporate, a corporate representative, or by attending the Re-domiciliation Scheme Meeting.

Further information

If you have any questions about the Explanatory Memorandum or the Re-domiciliation, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) on Business Days from 9.00 am to 5.00 pm (Sydney time) Monday to Friday (excluding public holidays) or consult your financial, legal, taxation or other professional adviser.

I look forward to your continuing involvement with the new Boart Longyear group.

Yours sincerely,



Kevin McArthur
Chairman
Boart Longyear Limited

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1. WHAT ARE THE KEY DATES AND TIMES?

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

Event	Indicative time/date
Date of this Explanatory Memorandum	29 July 2021
Proxy Cut-Off Time Latest time and date by which completed Proxy Forms must be received by the Registry	10:30am (Sydney time) on 6 September 2021
Voting Entitlement Record Date Time and date for determining eligibility to vote at the Re-domiciliation Scheme Meeting	7.00 pm (Sydney time) on 6 September 2021
Time and date of Re-domiciliation Scheme Meeting To be held at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000. Shareholders will also be able to attend and participate in the Re-domiciliation Scheme Meeting via an online platform. Further details relating to the Re-domiciliation Scheme Meeting are set out in the Notice of Re-domiciliation Scheme Meeting set out at Appendix F to this Explanatory Memorandum.	10:30am (Sydney time) on 8 September 2021

Following Shareholder approval of the Re-domiciliation

Event	Indicative time/ date
Second Court Hearing for the Creditors' Schemes Date of the Second Court Hearing for approval of the Creditors' Schemes	16 September 2021
Creditors' Scheme Effective Date (if Creditors' Schemes are approved by Scheme Creditors and the Court)	17 September 2021
Creditors' Scheme Implementation Date The Creditors' Scheme Implementation Date will be the date notified by the Scheme Administrators pursuant to the Restructuring Implementation Deed as the "Proposed Creditors' Scheme Implementation Date", unless another date is determined and notified by a Scheme Administrator in accordance with the Restructuring Implementation Deed, in which case that new date will be the Creditors' Scheme Implementation Date.	23 September 2021
Second Court Hearing for the Re-domiciliation Scheme	28 September 2021

Event	Indicative time/ date
Date of the Second Court Hearing for approval of the Re-domiciliation Scheme	
Re-domiciliation Scheme Effective Date BLY's Shares are suspended from trading at the close of trading on ASX	29 September 2021
Listing of New BLY Parent on ASX New BLY Parent CDIs commence trading on ASX on a deferred settlement basis ¹	30 September 2021
Re-Domiciliation Scheme Record Date Time and date for determining entitlements to New BLY Parent CDIs	7.00 pm (Sydney time) on 1 October 2021
Re-domiciliation Scheme Implementation Date The date of transfer of all Shares to New BLY Parent and issue of New BLY Parent Shares (to be held in the form of New BLY Parent CDIs)	5 October 2021
Commencement of normal trading of New BLY Parent CDIs New BLY Parent CDIs commence trading on ASX on a normal settlement basis and dispatch of holding statements	6 October 2021

This timetable is indicative only and, among other things, is subject to all necessary Court and regulatory approvals and the satisfaction (or waiver, if applicable) of the Re-domiciliation Conditions Precedent. BLY has the right to vary any or all of these dates and times, subject to the approval of the variation by ASX, ASIC, or the Court, where required. Any variation to the timetable set out above will be announced to ASX and notified on BLY's website (<https://www.boartlongyear.com>).

¹ Assuming New BLY Parent is admitted to the official list of ASX.

2. WHAT TO DO AND HOW TO VOTE

2.1 Read the Explanatory Memorandum

You should read this Explanatory Memorandum in full, including Section 5, which contains the BLY Board's beliefs as to the advantages, disadvantages and risks of the Re-domiciliation, before making any decision on how to vote on the Re-domiciliation Scheme Resolution.

It is important that you consider the information disclosed in light of your own particular investment needs, objectives and financial circumstances.

2.2 Details of the Re-domiciliation Scheme Meeting

The Re-domiciliation Scheme Meeting will be held on 8 September 2021 at 10:30 am (Sydney time) at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000 .

Shareholders (or their appointed proxies, attorneys or corporate representatives) will also be able to participate in the Re-domiciliation Scheme Meeting online via an online platform at <https://agmlive.link/BLYSM21>. Shareholders who participate in the Re-domiciliation Scheme Meeting via the online platform will be able to listen to the Re-domiciliation Scheme Meeting, cast an online vote and ask questions online. Details of how to access the online platform are contained in the Notice of Re-domiciliation Scheme Meeting at Appendix F.

2.3 Entitlement to Attend and Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations and section 5.6.1 of the ASX Settlement Operating Rules, the BLY Board has determined that persons who are registered as a Shareholder on the BLY Share Register as at the Voting Entitlement Record Date (being 7pm (Sydney time) on 6 September 2021) will be entitled to attend and vote at the Re-domiciliation Scheme Meeting. Accordingly, transactions registered after that time will be disregarded for determining which Shareholders are entitled to attend and vote at the Re-domiciliation Scheme Meeting.

2.4 Voting

Your vote is important.

BLY Directors have determined that the Re-domiciliation Scheme is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting.

Even if you plan to attend the Re-domiciliation Scheme Meeting online, we encourage you to submit a directed proxy vote as early as possible by completing and returning the proxy form Shareholders will receive either electronically or in hard copy, or lodging your proxy form online at www.linkmarketservices.com.au.

The Re-domiciliation Independent Expert has concluded that the Re-domiciliation Scheme is, on balance, in the best interests of Shareholders.

Shareholders entitled to attend and vote at the Re-domiciliation Scheme Meeting may vote by:

- attending the Re-domiciliation Scheme Meeting in person;
- attending the Re-domiciliation Scheme Meeting online via the online platform at <https://agmlive.link/BLYSM21>. Details of how to access the online platform are contained in the Notice of Re-domiciliation Scheme Meeting set out in Appendix F;

- appointing a proxy to attend the Re-domiciliation Scheme Meeting in person or via the online platform and vote on your behalf;
- appointing an attorney to attend the Re-Domiciliation Scheme Meeting in person or via the online platform and vote on your behalf; or
- in the case of corporate Shareholders, appointing a corporate representative to attend the Re-domiciliation Scheme Meeting in person or via the online platform and vote on your behalf.

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, BLY encourages Shareholders to attend the Re-domiciliation Scheme Meeting online or lodge a proxy in advance of the Re-domiciliation Scheme Meeting, rather than attending the meeting in person.

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

(a) Voting by proxy

To vote by proxy, you must complete and lodge your Proxy Form by no later than Proxy Cut-Off Time, in accordance with the instructions on the Proxy Form. The Proxy Cut-Off Time is 10:30am (Sydney time), 6 September 2021.

Even if you plan to attend the Re-domiciliation Scheme Meeting online, we encourage you to submit a directed proxy vote as early as possible by completing and returning the proxy form Shareholders will receive either electronically or in hard copy, or lodging your proxy form online at www.linkmarketservices.com.au.

A Shareholder entitled to cast two or more votes may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Re-domiciliation Scheme Meeting.

Details for completion and lodgement of proxies are on the reverse side of the **Proxy Form**. To be effective, the proxy must be received at the Registry no later than 10:30am (Sydney time) on 6 September 2021. Proxies must be received before that time by one of the following methods:

Online: www.linkmarketservices.com.au

By post: Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Facsimile: In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309

By delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

(b) **Voting by attorney**

If voting by attorney, the power of attorney appointing the attorney must be duly signed by you and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used.

The power of attorney, or a certified copy of the power of attorney, must be received by the Registry by 10:30am (Sydney time) on 6 September 2021 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (i) by post in the provided reply-paid envelope to the Registry at the following address:

Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- (ii) by delivery to the following address:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

- (iii) by fax to the Registry on:

In Australia (02) 9287 0309

From outside Australia +61 2 9287 0309

Please note that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by a mobile device.

If attending:

- in **person**, attorneys of eligible Shareholders will be admitted to the Re-domiciliation Scheme Meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, (as previously provided to the Registry in accordance with the requirements set out above), their name and address, and the name of their appointors;
- **online**, by logging into the virtual meeting platform at <https://agmlive.link/BLYSM21> and register to view the meeting by entering your name and contact details, to register as a shareholder and vote, click the "get a Voting Card" option on the screen. You will be required to enter your SRN or HIN and postcode or country to proceed. Once you have your voting card, it may be submitted at any time during the meeting.

For further information, please refer to the Virtual Meeting Guide at Annexure G to the Explanatory Memorandum.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

(c) **Voting by corporate representative**

A body corporate that is a Shareholder who is eligible to vote on the Re-domiciliation Scheme Resolution, or that has been appointed as a proxy by a Shareholder eligible to vote on the Re-domiciliation Scheme Resolution, is entitled to appoint any person to act as its representative at the Re-domiciliation Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act meaning that BLY will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act.. An appointment form may be obtained from the Registry by calling + 61 1800 781 633 (within and outside Australia) Monday to Friday between 9:00am to 5:00pm (AEST). The certificate of appointment may set out restrictions on the representative's powers.

If the corporate representative will be attending the Re-domiciliation Scheme Meeting in person, the corporate representative must bring a copy of the appointment form with it to the Re-domiciliation Scheme Meeting.

Except where the corporate representative is attending the Re-domiciliation Scheme Meeting in person, the appointment form must be received by the Registry by 10:30am (Sydney time), 6 September 2021 (or, if the Re-domiciliation Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (i) by post in the provided reply-paid envelope to the Registry at the following address:

Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- (ii) by delivery to the following address:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

- (iii) by fax to the Registry on:

In Australia (02) 9287 0309

From outside Australia +61 2 9287 0309

Please note that an appointment form for appointing body corporate representative cannot be lodged online or by a mobile device.

If an appointment form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed appointment form unless the power of attorney or other authority has previously been noted by the Registry.

If attending:

- **in person**, corporate representatives of eligible Shareholders will be admitted to the Re-domiciliation Scheme Meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors; or
- **online**, by logging into the virtual meeting platform at <https://agmlive.link/BLYSM21> and register to view the meeting by entering your name and contact details, to register as a shareholder and vote, click the "get a Voting Card" option on the screen. You will be required to enter your SRN or HIN and postcode or country to proceed. Once you have your voting card, it may be submitted at any time during the meeting.

For further information, please refer to the Virtual Meeting Online Guide at Annexure G.

2.5 **How to ask questions**

Shareholders who would like to ask questions at the Re-domiciliation Scheme Meeting are encouraged to do so in writing by submitting your question to the Registry by 5.00 pm on Wednesday, 1 September 2021. You can also submit your questions in advance of the Re-domiciliation Scheme Meeting online at www.linkmarketservices.com.au by 10.30 am on Monday, 6 September 2021.

Alternatively, Shareholders can submit questions when attending the Re-domiciliation Scheme Meeting either in person or, if attending online, via the online platform. More information regarding how to participate in the Re-domiciliation Scheme Meeting online (including how to ask questions online during the meeting) is available in the Virtual Meeting Online Guide which is set out in Appendix G.

2.6 **Technical difficulties**

Technical difficulties may arise during the course of the Re-domiciliation Scheme Meeting. The Chairman has discretion as to whether and how the Re-domiciliation Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chairman will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Re-domiciliation Scheme Meeting is affected. In these circumstances, where the Chairman considers it appropriate, the Chairman may continue to hold the Re-domiciliation Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy by 10:30am (Sydney time) on 6 September 2021 even if they plan to attend the Re-domiciliation Scheme Meeting online.

2.7 **Further information**

If you have any additional questions in relation to this Explanatory Memorandum or the Re-domiciliation, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) on Business Days from 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays).

Alternatively, you should consult your financial, legal, taxation or other independent and appropriately licensed and authorised professional adviser.

3. OVERVIEW OF THE RE-DOMICILIATION SCHEME

3.1 Background

In considering the proposed Re-domiciliation, the Company has reviewed the benefits, disadvantages and risks of maintaining its corporate and tax domiciliation in Australia, as compared to a re-domiciliation to Canada or the United States. The Company's analysis included a review of several factors including, but not limited to, the existing business substance in Canada, the desires of the major shareholders, political stability, the general regulatory environment, the ease and access to the Canadian legal system and the sophistication of the Canadian financial market (specifically within the mining sector).

The BLY Board has determined that New BLY Parent should be incorporated in Ontario, Canada and listed on ASX.

The reasons why the BLY Board decided to re-domicile to Canada rather than the United States include that BLY considers that:

- (a) there is a greater understanding of BLY's history in Canada given the longstanding mining heritage and familiarity in Canada with BLY's brand.
- (b) there is a larger pool of mining and drilling peers located in Canada as compared to the United States which is more likely to create incremental liquidity for BLY if New BLY Parent pursues a dual listing in Canada as compared to the United States;
- (c) the Canadian investor base will be a more receptive audience having regard to the larger pool of mining and drilling peers located in Canada;
- (d) analyst coverage in Canada tends to be broader for companies of BLY's size and that should increase the likelihood of analyst coverage of BLY;
- (e) there is less onerous ongoing regulatory and reporting obligations in Canada compared to the United States; and
- (f) there is a higher likelihood of appropriate index inclusion for BLY.

The Re-domiciliation will not be implemented until after the Recapitalisation has been implemented in accordance with the Recapitalisation Documents. Further information regarding the Recapitalisation and the Recapitalisation Transactions is set out in Section 3.5 to 3.8 below.

3.2 Re-domiciliation

If the Re-domiciliation is implemented, BLY will become a wholly-owned subsidiary of New BLY Parent and those Shareholders who are Scheme Shareholders (other than Ineligible Foreign Shareholders) will hold New BLY Parent CDIs instead of Shares. The New BLY Parent will apply to be listed on ASX and BLY will be delisted from ASX. New BLY Parent will effectively replace BLY as the listed entity on ASX.

A New BLY Parent CDI is a CHESS Depository Interest (**CDI**) over a New BLY Parent Share. New BLY Parent CDIs will be traded on ASX using CHESS, whereas New BLY Parent Shares cannot be traded on ASX. Each New BLY Parent CDI will represent a beneficial interest in one New BLY Parent Share. A New BLY Parent CDI has the same economic benefits (such as dividends, bonus issues, rights issues) as a New BLY Parent Share, and substantially the same voting rights. Trading in New BLY Parent CDIs is not substantially different to trading in other CHESS approved securities (such as Shares).

All Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive one New BLY Parent Share (held in the form of a New BLY Parent CDI) for each Share held on the Re-domiciliation Scheme Record Date. There is no option for Scheme Shareholders to elect to receive cash instead of New BLY Parent CDIs. However, once New BLY Parent CDIs have commenced trading on ASX, New BLY Parent CDIs will be able to be bought and sold on ASX.

Ineligible Foreign Shareholders will not receive New BLY Parent CDIs and instead will receive the net proceeds from the sale of the New BLY Parent CDIs to which they would otherwise have been entitled under the Sale Facility (see Section 3.19 for more information).

3.3 Selective Buy-Back

Prior to the implementation of the Re-domiciliation, the Company will offer certain eligible Shareholders holding small parcels of Shares worth less than A\$3,000 (being the "**Eligible SBB Shareholders**") the opportunity to participate in a selective buy-back of their shares. The maximum aggregate amount that BLY will spend to buy-back Shares under the Selective Buy-Back will be US\$500,000. The Selective Buy-Back is subject to Shareholders approving the Re-domiciliation Scheme Resolution by the requisite majorities, Shareholders approving the Selective Buy-Back at the EGM and the Creditors' Schemes becoming Effective.

Under the Selective Buy-Back, Eligible SBB Shareholders will be entitled to offer to sell their Shares to the Company at a sale price of A\$2.48 per Share (calculated on a post Share Consolidation basis) which is the same price as the implied issue price of Shares issued under the Creditors' Schemes.

The Company may in its absolute discretion determine whether to accept (in whole or in part) or reject an offer to sell Shares received by the Company from Eligible SBB Shareholders.

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 Recapitalisation and may not wish to hold CDIs in the redomiciled Canadian company if the Re-domiciliation proceeds. The Selective Buy-Back will provide Eligible SBB Shareholders with the opportunity to sell their Shares without incurring brokerage fees and other expenses.

3.4 What are the conditions precedent to the Re-domiciliation Scheme?

The Re-domiciliation Scheme is conditional upon the satisfaction or waiver of a number of conditions precedent (being the **Re-domiciliation Conditions Precedent**). The Re-domiciliation Conditions Precedent are set out in clause 2.1 to the Re-domiciliation Scheme.

As at the date of this Explanatory Memorandum, the following Re-domiciliation Conditions Precedent remain outstanding:

No.	Condition Precedent	Status
1.	(Re-domiciliation Scheme Resolution) the Re-domiciliation Scheme Resolution is approved by the Requisite Majorities at the Re-domiciliation Scheme Meeting.	The Re-domiciliation Scheme Meeting to consider the Re-domiciliation Scheme Resolution will be held at 10:30am (Sydney time) on 8 September 2021 at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000..

No.	Condition Precedent	Status
2.	<p>(Court approval – Re-domiciliation) the Re-domiciliation Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act and an office copy of the order of the Court is lodged with ASIC.</p>	<p>Court approval of the Re-domiciliation Scheme will be sought at the Second Court Hearing on 28 September 2021.</p>
3.	<p>(Court approval – Creditors' Schemes) each of the Creditors' Schemes is approved by the Court in accordance with section 411(4)(b) of the Corporations Act and an office copy of the order(s) of the Court is lodged with ASIC.</p>	<p>Court approval of each of the Creditors' Scheme will be sought on 16 September 2021.</p>
4.	<p>(Completion of implementation of Creditors' Scheme) Step 1 (<i>Issue of Shares and New Warrants</i>) to Step 8 (<i>Confirmation of Scheme Restructuring Effective Time</i>) (inclusive) of clause 8 to the Restructuring Implementation Deed have been completed in accordance with the Restructuring Implementation Deed</p>	<p>This condition precedent currently remains outstanding</p>
5.	<p>(FIRB approval – New BLY Parent) before 8.00am (Sydney time) on the Second Court Date, either:</p> <p>(a) 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 New BLY Parent acquiring all Shares pursuant to the Re-domiciliation Scheme (Proposed New BLY Parent Re-domiciliation Acquisition), either without conditions or subject only to standard tax conditions or any other condition which is acceptable to acceptable to New BLY Parent acting reasonably; or</p> <p>(b) following notice of the Proposed New BLY Parent Re-domiciliation Acquisition having been given by New BLY Parent 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.</p>	<p>This condition precedent currently remains outstanding</p>

No.	Condition Precedent	Status
6.	<p>(FIRB approval – CBP) before 8.00am (Sydney time) on the Second Court Date, either:</p> <p>(a) the Treasurer (or the Treasurer's delegate) has provided 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 related bodies corporate) directly or indirectly acquiring an interest in the New BLY Parent Shares pursuant to the Re-domiciliation Scheme (Proposed CBP Re-domiciliation Acquisition) either without conditions or subject only to the standard tax conditions or any other condition which is acceptable to CBP acting reasonably; or</p> <p>(b) following notice of the Proposed CBP Re-domiciliation Acquisition 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.</p>	This condition precedent currently remains outstanding
7.	<p>(FIRB approval – AHG) before 8.00am (Sydney time) on the Second Court Date, either:</p> <p>(a) the Treasurer (or the Treasurer's delegate) has provided a notice in writing stating or stating to the effect that, the Australian government does not object to any AHG Member (or any of their respective related bodies corporate) directly or indirectly acquiring any interest in New BLY Parent Shares pursuant to the Re-domiciliation Scheme (Proposed AHG Re-domiciliation Acquisition) either without conditions or subject only to standard tax conditions or conditions which is acceptable to</p>	This condition precedent currently remains outstanding

No.	Condition Precedent	Status
	<p>that AHG Member acting reasonably; or</p> <p>(b) following notice of the Proposed AHG Re-domiciliation Acquisition 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.</p>	
8.	(Other authorisations) as at 8:00am (Sydney time) on the Second Court Date, all authorisations which New BLY Parent and BLY agree in writing are necessary for implementation of the Re-domiciliation Scheme are obtained.	Refer to Section 11.7.
9.	(No legal restraint) as at 8:00am (Sydney time) on the Second Court Date, no temporary restraining order, preliminary or permanent injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the implementation of the Re-domiciliation Scheme is in effect.	As at the date of this Explanatory Memorandum, BLY is not aware of anything that will cause this condition not to be satisfied.
10.	(ASX Admission) before 8:00am (Sydney time) on the Second Court Date, ASX approves the admission of New BLY Parent to the official list of ASX and official quotation of New BLY Parent Shares (represented by New BLY Parent CDIs) on ASX, which approval may be conditional on the Re-domiciliation Scheme becoming Effective and other such conditions as acceptable to BLY and New BLY Parent.	BLY will apply for the official quotation of New BLY Parent Shares (represented by New BLY Parent CDIs) and Ordinary Warrants on ASX as soon as practicable and, in any event, within seven days of this Explanatory Memorandum.
11.	(Authorised Nominee) before 8:00am on the Second Court Date New BLY Parent has appointed the Authorised Nominee and the Authorised Nominee has agreed to the allotment to it of New BLY Parent Shares under the Re-domiciliation Scheme.	BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum
12.	(Sale Agent) before 8:00am on the Second Court Date New BLY Parent has appointed the Sale Agent and the Sale Agent has agreed to sell the Sale	BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum

No.	Condition Precedent	Status
	Securities in the manner contemplated under the Re-domiciliation Scheme.	

3.5 Summary of the Recapitalisation Transactions

Subject to the conditions precedent to the Creditors' Schemes, which are summarised in Section 3.6 below, the Recapitalisation Transactions contemplate the transactions set out in Sections 3.5(a) to 3.5(f)

The table set out below provides an overview of the share price for each of the Share Purchase Plan and the Selective Buy-Back (being options available to Shareholders) and the CSPO (being an option available to Scheme Creditors).

Shareholder Transactions	Pricing (on a post-Share Consolidation basis)
Issue of new shares under Share Purchase Plan (as summarised in Section 3.5(b))	A\$2.48 per share
Buy back of existing shares under Selective Buy-Back (as summarised in Section 3.3)	A\$2.48 per share
Scheme Creditor Transactions	Pricing (on a post-Share Consolidation basis)
Issue of new shares under Creditor Share Purchase Option (as summarised in Section 3.5(c))	A\$2.48 per share

The Creditors' Schemes

- (a) The Creditors' Schemes will effect a release of all outstanding amounts under the Term Loan A, Term Loan B, SSN Indenture and SUN Indenture in consideration for:
- (i) the issuance to the TLA Purchasers, TLB Purchasers, SSN Noteholders and SUN Noteholders of Shares equal to in aggregate 98.5% of BLY's post-Recapitalisation ordinary shares (before (1) the issue of any Shares on the exercise of any New Warrants, Existing Warrants and BLY Options, (2) the issue of any Shares under the Share Purchase Plan and Creditor Share Purchase Option, (3) any buy-back of Shares under the Selective-Buy-Back, and (4) the issue of any Shares under any management incentive plan);
 - (ii) the issuance of the New Warrants to SUN Noteholders in accordance with the terms of the Unsecured Creditors' Scheme with a strike price per Warrant Share of A\$2.79; and
 - (iii) the offer, first to SUN Noteholders, then to TLA Purchasers, TLB Purchasers and SSN Noteholders of the opportunity to purchase Shares under the Creditor Share Purchase Option, described below.

Share Purchase Plan

- (b) BLY proposes to offer Eligible SPP Shareholders the opportunity to subscribe for up to A\$30,000 worth of Shares at the SPP Issue Price (being A\$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 Creditors' Schemes, the opportunity to maintain a more meaningful equity interest in the Company following completion of the Recapitalisation.

To the extent that the Share Purchase Plan is oversubscribed (ie 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 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 (ie 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 will be offered under, and in accordance with the terms of, the Creditor Share Purchase Option (described further below).

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

Creditor Share Purchase Option

- (c) SUN Noteholders, TLA Purchasers, TLB Purchasers and SSN Noteholders who are Secured Scheme Creditors or Unsecured Scheme Creditors will have the opportunity to subscribe for Shares at an issue price of A\$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 plus any unsubscribed amount under the Share Purchase Plan (the **CSPO Cap Amount**). The Shares will be allocated by BLY under the Creditor Share Purchase Option in accordance with the 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 will be allocated by BLY under the Creditor Share Purchase Option in accordance with the following principles (**CSPO Allocation Principles**):

- (i) **(Firstly, allocations to Participating SUN Noteholders)**: Shares will first be allocated to Participating SUN Noteholders (or their Permitted CSPO Nominee) on the following basis:
- (A) *(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 Creditors' Schemes 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 Creditors'

Schemes 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 the relevant section titled 'Creditor Share Purchase Option' of their SUN Account Holder Letter; and

- (B) *(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 (i)(A) 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 (i)(A) 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 Creditors' Scheme 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 Creditors' Scheme 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:
 - (aa) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
 - (bb) 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
- (ii) **(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 (i) above, then the remaining available Shares will be allocated to the Other CSPO Participants (or their Permitted CSPO Nominees) on the following basis:
 - (A) *(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 Creditors' Schemes (not including Shares under the Creditor Share Purchase Option) represents of the total number of Shares allocated to all 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
 - (B) *(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 (i) and

(ii)(A) 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 (ii)(A) 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 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 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:

- (aa) the total number of Shares available under the CSPO Cap Amount have been fully allocated; or
- (bb) 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.

New Warrants

- (d) Pursuant to the Unsecured Creditors' Scheme and the Restructuring Implementation Deed, SUN Noteholders will be issued such number of New Warrants which, in aggregate, confer the right to call for the issue of such number of shares (in BLY or the New BLY Parent, depending on whether the Re-domiciliation Scheme is approved) that would result in SUN Noteholders, assuming all New Warrants were exercised, holding 10% of the total post-recapitalisation Shares on issue (with the total number of Shares on issue for the purposes of this calculation determined (1) including the new Shares that would be issued on exercise of the New Warrants, (2) before the issue of any Shares on the exercise of any Existing Warrants and BLY Options (3) before the issue of any Shares under the Share Purchase Plan and the Creditor Share Purchase Option, (4) before any buy-back of Shares under the Selective Buy-Back and (5) before the issue of any Shares under any management incentive plan).

The terms of the New Warrants are set out the New Warrant Deed Poll at Schedule 11 to the Unsecured Creditors' Scheme. The strike price per Warrant Share is A\$2.79.

Share Consolidation

- (e) As part of the Recapitalisation, BLY is proposing that prior to the issue of Shares under the Creditors' Schemes, the Share Purchase Plan and the Creditor Share Purchase Option (and completion of the purchase by the Company 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 (**Share Consolidation**).

The Share Consolidation is proposed to occur prior (rather than subsequent) to implementation of the Creditors' Schemes so that all securities issued under the Recapitalisation Transactions are issued on a post-Share Consolidation basis. The

Share Consolidation will only occur if all of the Recapitalisation Resolutions are passed by the requisite majorities of Shareholders at the EGM. The effective date of the Share Consolidation is expected to be 16 September 2021.

Exit Financing

- (f) BLY US (or another BLY group member) as borrower, and other BLY 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.

Nominee Directors

- (g) Under the terms of the Restructuring Support Agreement, BLY has agreed that the post-Recapitalisation composition of the BLY Board, and if the Re-domiciliation is implemented, the New BLY Parent Board, will consist of nine directors and include:
 - (i) five (5) directors nominated by CBP;
 - (ii) three (3) directors nominated by the Ad Hoc Group; and
 - (iii) the Chief Executive Officer.

The above nomination rights will be further documented by the BLY Director Nomination Agreements pursuant to which, whilst the BLY Board is comprised of nine directors, BLY will grant to CBP the right to nominate up to five individuals for appointment to the BLY Board, and the Ad Hoc Group the right to nominate up to three individuals for appointment to the BLY Board.

If the Re-domiciliation is approved and implemented, the director nomination rights contemplated by the RSA will be documented by director nomination agreements pursuant to which the New BLY Parent will grant CBP the right to nominate up to five individuals, and the Ad Hoc Group the right to nominate up to three persons, for appointment to the board of directors of the New BLY Parent board. The New BLY Parent Director Nomination Agreements will be governed by Canadian law.

The BLY Director Nomination Agreements (and, if the Re-domiciliation is approved and implemented, the New BLY Parent Director Nomination Agreements) will replace existing director nomination rights granted to CBP, Ares and Ascribe under the current director nomination agreements between those parties and BLY.

In the event that the BLY Board increases in size from nine to ten directors at any time (excluding alternate directors) in accordance with its 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 the Company, Centerbridge will have the right to nominate six directors for appointment to the BLY Board.

In accordance with the Articles and By-Laws, the New BLY Parent Board shall comprise a maximum of nine directors.

3.6 Conditions to the Creditors' Schemes

The Creditors' Schemes are conditional upon the satisfaction or waiver of the following conditions precedent:

No	Condition Precedent	Status
1.	<p>(FIRB approval – CBP) before 8.00am (Sydney time) on the Creditors' Scheme Second Court Date, either:</p> <p>(a) 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 permitted assignees) directly or indirectly acquiring New Common Equity and, if applicable, New Warrants pursuant to the RSA Transactions (Proposed CBP Acquisitions), and such approval is not subject to any conditions other than the Standard Tax Conditions or any other conditions acceptable to each CBP member acting reasonably; or</p> <p>(b) 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.</p>	This condition precedent is currently outstanding
2.	<p>(FIRB approval – AHG) before 8.00am (Sydney time) on the Creditors' Scheme Second Court Date, either:</p> <p>(a) 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 permitted assignees) directly or indirectly acquiring the New Common Equity and, if applicable the New Warrants pursuant to the RSA Transactions (Proposed AHG Acquisition), and such approval is not subject to any conditions other than the Standard Tax Conditions or</p>	This condition precedent is currently outstanding

	<p>any other conditions acceptable to each AHG Member acting reasonably; or</p> <p>(b) following notice of the Proposed AHG Acquisition 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.</p>	
3.	<p>(Non-Associated Shareholder approval) Non-Associated Shareholders approving the Recapitalisation Resolutions at the EGM by the requisite majorities.</p>	<p>The meeting of Non-Associated Shareholders will be held at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000 on 8 September 2021 at 10:00am.</p>
4.	<p>(ASX approval) at or before 8.00 am on the Creditors' Scheme 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.</p>	<p>This condition precedent is currently outstanding</p>
5.	<p>(Director nomination agreements) at or before 8.00 am on the Creditors' Scheme Second Court Date, the BLY Director Nomination Agreements have been executed by the parties to those agreements.</p>	<p>BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum</p>
6.	<p>(deeds poll) at or before 8.00 am on the Creditors' Scheme Second Court Date, the Scheme Administrators Deed Poll and the Obligors Deed Poll has been executed by the Scheme Administrators and the Obligors, respectively and no such deed poll has been terminated.</p>	<p>BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum</p>
7.	<p>(undertakings) at or before 8.00 am on the Creditors' Scheme Second Court Date:</p> <ul style="list-style-type: none"> 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. 	<p>BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum</p>

8.	<p>(Exit Financing) as at 8.00 am on the Creditors' Scheme 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:</p> <ul style="list-style-type: none"> i. the Secured Creditors' Scheme and the Unsecured Creditors' Scheme becoming Effective; ii. no amendments, waivers or modifications to the Restructuring Support Agreement, the Restructuring Implementation Deed or the Creditors' Schemes having been made since 8:00am on the Creditors' Schemes 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) (<i>Step 1 (Issue of Shares and New Warrants)</i>) and 8(b) (<i>Step 2 (Releases)</i>) of the Restructuring Implementation Deed having been completed in accordance with their terms); and iv. any conditions which the Exit Financier has agreed to waive of defer. 	BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum
9.	<p>(Regulatory Approvals) as at 8.00 am on the Creditors' Scheme Second Court Date, any approvals or consents, which are not otherwise described in the conditions precedent to the Creditors' Schemes but which are required by law or by any Government Agency to have been obtained by the Scheme Companies to implement the Creditors' Schemes, have</p>	BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum

	been obtained on an unconditional basis and remain in full force and effect.	
10.	(Restructuring Support Agreement) as at 8.00 am on the Creditors' Scheme Second Court Date, the Restructuring Support Agreement has not been terminated in accordance with its terms and each of the conditions precedent in clause 5.1 of the Restructuring Support Agreement (other than the condition relating to condition 10 (<i>Court approval</i>) and condition 17 (<i>Exit Financing</i>)) have either been satisfied or waived in accordance with the terms of the Restructuring Support Agreement.	As at the date of this Explanatory Memorandum, BLY is not aware of anything that will cause this condition not to be satisfied
11.	(Restructuring Implementation Deed) as at 8.00 am on the Creditors' Scheme Second Court Date, the Restructuring Implementation Deed has been duly executed and delivered by all parties to the Restructuring Implementation Deed, save for each party to that document relying on authorities or instructions given under, or in connection with, the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.	BLY anticipates that this condition precedent will be satisfied shortly after the date of this Explanatory Memorandum
12.	(Court approval) the Creditors' Schemes are approved by the Court, including with such alternations 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: <ul style="list-style-type: none"> i. they do not change the substance of the Secured Creditors' Scheme or the Unsecured Creditors' 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 the Unsecured Scheme Creditors who voted at the applicable Creditors' Scheme Meetings and each obligor. 	Court approval of the Creditors Scheme will be sought at the Second Court Hearing on 16 September 2021.
13.	(Effective) The Creditors' Schemes become Effective.	Subject to the Court approving the Creditors' Schemes, BLY anticipates this condition precedent will be satisfied on 17 September 2021

3.7 What happens to the Re-domiciliation if the Recapitalisation does not proceed?

The Re-domiciliation is conditional on the Creditors' Scheme becoming effective. If the Creditors' Schemes do not become effective, the Re-domiciliation will not be implemented.

For more information about the potential consequences of the Re-domiciliation not proceeding, see Section 3.20.

3.8 What happens to the Recapitalisation if the Re-domiciliation fails?

The Creditors' Schemes are not conditional on the implementation of the Re-domiciliation Scheme. Accordingly, if the Re-domiciliation Scheme Resolution is not approved by the Requisite Majorities or the Court does not approve the Re-domiciliation Scheme, but the Creditors' Schemes are approved by Creditors and the Court and all other applicable conditions to the Creditors' Schemes are satisfied (or, if applicable, waived), the Recapitalisation will still proceed.

Further, if the Re-domiciliation Scheme is not approved by the Requisite Majorities, the Selective Buy-Back will not proceed and Eligible SBB Shareholders will not have the opportunity to sell their Shares under the Selective Buy-Back.

3.9 What is the opinion of the Re-domiciliation Independent Expert?

The Re-domiciliation Independent Expert has concluded that the Re-domiciliation Scheme is, on balance, in the best interests of Shareholders. A copy of the Re-domiciliation Independent Expert's Report is set out in Appendix A to this Explanatory Memorandum.

3.10 What are the consequences of BLY re-domiciling to Canada?

As the New BLY Parent is a company incorporated in Ontario, Canada, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or ASIC, but instead are regulated by the Ontario Business Corporations Act (**OBCA**). However, as a foreign company registered in Australia, New BLY Parent will be subject to certain provisions of the Corporations Act and, subject to ASX approving the admission of New BLY Parent to the official list of the ASX and the quotation of the New BLY Parent Shares (represented by New BLY Parent CDIs) and Ordinary Warrants, will be subject to the ASX Listing Rules.

If the Re-domiciliation Scheme is implemented, all Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New BLY Parent CDIs on the Re-domiciliation Scheme Implementation Date.

For further information on the implications of New BLY Parent being a Canadian company (including the ability to convert New BLY Parent CDIs to New BLY Parent Shares), see Section 8 and Appendix F.

3.11 What vote is required to approve the Re-domiciliation Scheme?

For the Re-domiciliation Scheme to proceed, it must be approved by the Requisite Majorities, being:

- (a) a majority in number (more than 50%) of those Shareholders present and voting at the Re-domiciliation Scheme Meeting in person, by proxy, by attorney or (in the case of a corporate Shareholder or proxy) by a corporate representative; and
- (b) at least 75% of the total number of votes cast on the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting by Shareholders.

3.12 **What happens if I do not vote at the Re-domiciliation Scheme Meeting or do not vote in favour of the Re-domiciliation?**

The Re-domiciliation cannot be implemented, and the Selective Buy-Back will not proceed, unless the Re-domiciliation Scheme Resolution is passed by the Requisite Majorities at the Re-domiciliation Scheme Meeting.

If you do not vote at the Re-domiciliation Scheme Meeting, or vote against the Re-domiciliation Scheme Resolution, then the Re-domiciliation may not be approved.

However, even if you do not vote, or if you vote against Re-domiciliation Scheme Resolution, the Re-domiciliation may still be approved. If the Re-domiciliation Scheme Resolution is passed by the Requisite Majorities, then, subject to the Court approving the Re-domiciliation Scheme and all other Re-domiciliation Conditions Precedent to the Re-domiciliation Scheme being satisfied or (if applicable) waived, the Re-domiciliation Scheme will be implemented and be binding on all Shareholders, including those who did not vote or voted against the Re-domiciliation Scheme Resolution.

3.13 **What are the key steps to the Re-domiciliation Scheme taking effect?**

If the Re-domiciliation Scheme Resolution is passed by the Requisite Majorities, then, subject to the Court approving the Re-domiciliation Scheme and all other Re-domiciliation Conditions Precedent being satisfied or (if applicable) waived, BLY will lodge the Court order approving the Re-domiciliation Scheme with ASIC upon which the Re-domiciliation Scheme will become Effective. For information about the indicative key dates, refer to Section 1

An overview of the key steps to implementing the Re-domiciliation Scheme is as follows:

Event	Detail
The Re-domiciliation Scheme becomes Effective	<ul style="list-style-type: none">The Re-domiciliation Scheme will take effect when BLY lodges with ASIC an office copy of the orders of the Court approving the scheme of arrangement under section 411(4)(b) of the Corporations Act.Last day of trading on the ASX with the Shares and Ordinary Warrants suspended from quotation on ASX from close of business (AEST). <p>This date is expected to be 29 September 2021.</p>
New BLY Parent CDIs commence trading on ASX on a deferred settlement basis ²	<p>On the Business Day following the Re-domiciliation Scheme Effective Date (expected to be 30 September 2021)</p> <ul style="list-style-type: none">New BLY Parent admitted to the official list of ASX.New BLY Parent CDIs begin trading on ASX on a deferred settlement basis.
Re-domiciliation Scheme Implementation Date	<p>On the Re-domiciliation Scheme Implementation Date (which is expected to be 5 October 2021):</p> <ul style="list-style-type: none">BLY will transfer the Shares held by each Scheme Shareholder to New BLY Parent without the need for any further act by a Scheme Shareholder;

²

Assuming New BLY Parent is admitted to the official list of ASX.

Event	Detail
	<ul style="list-style-type: none"> • New BLY Parent will issue to the Authorised Nominee one (1) New BLY Parent Share for each Share held by a Scheme Shareholder on the Re-domiciliation Scheme Record Date; • Each Scheme Shareholder (other than an Ineligible Foreign Shareholder) will receive one (1) New BLY Parent CDI for every Share held by the Scheme Shareholder on the Re-domiciliation Scheme Record Date; • In the case of Ineligible Foreign Shareholders, the New BLY Parent CDIs to which those shareholders would otherwise have been entitled will be issued to the Sale Agent, who will sell them on the Ineligible Foreign Shareholder's behalf, with the net sale proceeds being remitted to the Ineligible Foreign Shareholder; and • Allotment statements for New BLY Parent CDIs will be dispatched to Scheme Shareholders.
Following the Re-domiciliation Scheme Implementation Date	<p>On the Business Day following the Re-domiciliation Scheme Implementation Date (expected to be 6 October 2021):</p> <ul style="list-style-type: none"> • New BLY Parent CDIs will commence trading on ASX on a normal settlement basis; and • BLY will be delisted from ASX.

3.14 **What will happen to BLY following implementation of the Re-domiciliation?**

If the Re-domiciliation is implemented, New BLY Parent will own all of the BLY Shares and will operate the business of the BLY Group (as then constituted, with New BLY Parent as the ultimate parent company) in a manner consistent with past practice and in accordance with the existing strategy of BLY.

Following implementation of the Re-domiciliation, BLY, which will be a subsidiary of New BLY Parent as a result of the Re-domiciliation, will pass a special resolution to convert from a public company to a proprietary company limited by shares and lodge all necessary documentation with ASIC to effect such conversion.

For information about the New BLY Parent Directors' intentions for the business, assets and employees of BLY following implementation of the Re-domiciliation Scheme, see Section 7.6.

3.15 **What are the tax implications of the Re-domiciliation?**

The Re-domiciliation Scheme may have taxation implications for Shareholders. Accordingly, Shareholders should refer to the summary of Australia and Canadian taxation implications for certain Shareholders in Section 9 and Section 10 of this Explanatory Memorandum.

3.16 **Are Shareholders required to make any cash payments to participate in the Re-domiciliation?**

No. Shareholders are not required to make any cash payments to BLY or New BLY Parent to participate in the Re-domiciliation.

3.17 Impact of the Re-domiciliation on securities other than Shares

In addition to Shares, BLY has the following securities on issue as at the date of this Explanatory Memorandum:

Security	Number	Current exercise price (Prior to adjustment for the Share Consolidation)	Expiry date
Quoted Ordinary Warrants ³	2,012,403	AU\$6.30	13 September 2024
Class A 7% Warrants ⁴	282,779	US\$1.80	1 September 2024
Class B 7% Warrants ⁴	145,037	US\$3.00	1 September 2024
BLY Options ⁵	43,158	US\$96.00 except for those options held by one former employee, which has a current exercise price of US\$57.60	Between 2024 and 2026

Existing Warrants, New Warrants and BLY Options

The Existing Warrants, the New Warrants and the BLY Options will continue in existence on implementation of the Re-domiciliation Scheme.

The terms of the Existing Warrants and the New Warrants (together, the **Warrants**) provide, amongst other things, that:

- Where there is a "Redomiciling Event" and the holder of a Share will be issued or receive Substitute Property, then prior to the consummation of that Redomiciling Event, BLY must make appropriate provision to ensure that each Warrant gives the holder of that warrant the right to acquire and receive the Substitute Property at the specified 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 warrant holder would have received if the Warrants had been exercised prior to the record date for that Redomiciling Event.
- For such Redomiciling Event, BLY must make appropriate provision to ensure that the terms of the Warrants shall thereafter be applicable to such Substitute Property.

The Re-domiciliation will be a Redomiciling Event for the purposes of the Warrants and the New BLY Parent CDIs will be "Substitute Property" for the purposes of the Warrants. BLY will procure that New BLY Parent enter into the Assumption Deed Poll pursuant to which

³ The terms of the Ordinary Warrants are set out in the prospectus dated 24 August 2017 lodged by Boart Longyear with ASIC and available at www.asx.com.au.

⁴ The terms of the Class A 7% Warrants and Class B 7% Warrants are set out in the Notice of Meeting and Explanatory Statement dated 12 May 2017 and available at www.asx.com.au.

⁵ For further information please refer to the Appendix 3B lodged by Boart Longyear with ASX on 16 July 2018.

New BLY Parent will agree to assume the obligations of BLY under the Warrants from the Re-domiciliation Scheme Effective Date subject to the Re-domiciliation Scheme becoming Effective. This will mean that, if the holder of a Warrant exercises that Warrant after the Re-domiciliation Scheme Effective Date, the holder of the Warrant will be issued with a New BLY Parent CDI instead of a Share.

The terms of the BLY Options permit the BLY Board to make equitable substitutions or adjustments to the BLY Options, in the BLY Board's sole and absolute discretion, in the event of any recapitalisation, stock split or combination, stock dividend or other similar event or transaction affecting the Shares.

In accordance with the terms of the Warrants and the BLY Options, the BLY Board has determined that if the Re-domiciliation Scheme becomes Effective, the securities to be issued on exercise of the Warrants and BLY Options will be New BLY Parent CDIs in substitution for Shares.

BLY will procure that New BLY Parent will enter into the Assumption Deed Poll pursuant to which it will agree to assume the obligations of BLY under the BLY Options from the Re-domiciliation Scheme Effective Date subject to the Re-domiciliation Scheme becoming Effective. This will mean that if the holder of a BLY Option exercises the BLY Option after the Re-domiciliation Scheme Effective Date, the holder of the BLY Option will be issued with a New BLY Parent CDI instead of a Share.

Long Term Incentive Plan

Under the Long Term Incentive Plan, the remuneration, nominations and governance committee has authority to grant "Awards" to eligible BLY's employees. If the conditions of an Award are satisfied so that it vests BLY can elect to either issue Shares to the holder of the Award or make a cash payment to the holder of the Award in satisfaction of the Award.

BLY has issued letters to eligible employees under the Long Term Incentive Plan informing those eligible employees of their entitlement to Awards and the vesting conditions applicable to their Awards. No Awards have vested as at the date of this Explanatory Memorandum.

Under the terms of the Long Term Incentive Plan, in the event of a recapitalisation, reorganisation, merger, amalgamation, consolidation or other similar corporate transaction or event that affects the Shares, the BLY Board shall make any such adjustments in such manner as it may deem equitable, including, amongst other things, providing for a substitution or assumption of Awards, or awards of an acquiring company. The BLY Board has determined that if the Re-domiciliation Scheme becomes Effective, any securities that will be issued on vesting of the Awards will be New BLY Parent CDIs in substitution for Shares.

BLY will procure that New BLY Parent execute the Assumption Deed Poll pursuant to which New BLY Parent will assume the obligations of BLY under the Long Term Incentive Plan subject to the Re-domiciliation Scheme becoming Effective.

3.18 Who is entitled to participate in the Re-domiciliation?

(a) Re-domiciliation Scheme Record Date

If the Re-domiciliation Scheme becomes Effective, those Shareholders registered as such on the BLY Share Register as at the Re-domiciliation Scheme Record Date will become entitled to one New BLY Parent CDI for each Shares they hold at that time (except for Ineligible Foreign Shareholders– see Section 3.18 (b)).

For the purposes of determining which Shareholders will be eligible to receive the New BLY Parent CDIs (or the net proceeds of sale under the Sale Facility in the case of Ineligible Foreign Shareholders) and participate in the Re-domiciliation Scheme, any dealing in Shares will only be recognised if:

- (i) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the BLY Share Register as the holder of Shares as at the Re-domiciliation Scheme Record Date; and
- (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Re-domiciliation Scheme Record Date at the Registry.

Subject to the Corporations Act, the ASX Listing Rules and the BLY Constitution, BLY must register the registrable transmission applications or transfers of the kind recognised above by no later than 7.00pm (Sydney time) on the Re-domiciliation Scheme Record Date.

BLY will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after 7.00pm (Sydney time) on the Re-domiciliation Scheme Record Date or received prior to that time but not in registrable form.

Because implementation of the Recapitalisation Transactions and the Selective Buy-Back (assuming all necessary approvals are obtained) will occur prior to the Re-domiciliation Scheme Record Date, the Shares subject to the Re-domiciliation Scheme will:

- (i) include any Shares issued under each of:
 - (A) the Secured Creditors' Scheme;
 - (B) the Unsecured Creditors' Scheme;
 - (C) the Creditor Share Purchase Option; and
 - (D) the Share Purchase Plan; and
- (ii) exclude any Shares purchased by BLY and cancelled under the Selective Buy-Back.

(b) Ineligible Foreign Shareholders

Restrictions in certain countries make it impractical or unlawful to offer or receive securities in those countries. For this reason, the Scheme Shareholders whose addresses are shown in the BLY Share Register on the Re-domiciliation Scheme Record Date as being in such jurisdictions will be regarded as Ineligible Foreign Shareholders for the purposes of the Re-domiciliation Scheme and the New BLY Parent CDIs to which the Ineligible Foreign Shareholders would otherwise have been entitled will be dealt with under the Re-domiciliation Scheme via the Sale Facility, as described below in Section 3.19.

Based on the information available to the New BLY Parent as at the date of this Explanatory Memorandum, Shareholders whose addresses are shown in the BLY Share Register on the Re-domiciliation Scheme Record Date as being in the following jurisdictions will be entitled to receive New BLY Parent CDIs pursuant to the Re-domiciliation Scheme: Australia, New Zealand, Switzerland, Hong Kong, Spain,

Luxembourg, the Netherlands, Ireland, Italy, Bermuda, the Cayman Islands, Canada or the United States of America.

The Re-domiciliation Scheme also allows New BLY Parent to not issue New BLY Parent CDIs to a Shareholder if 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 Shareholder is located.

If you are an Ineligible Foreign Shareholder, you will not be eligible to receive New BLY Parent CDIs under the Re-domiciliation Scheme. Instead, the New BLY Parent CDIs to which Ineligible Foreign Shareholders would otherwise be entitled will be issued to the Sale Agent and sold in accordance with clause 3.3 of the Re-domiciliation Scheme. For more information, see Section 3.19 and clause 3.3 of the Re-domiciliation Scheme.

3.19 Sale Facility and sale of New BLY Parent CDIs to which Ineligible Foreign Shareholders would otherwise be entitled

As noted above, the New BLY Parent CDIs that would have otherwise been issued under the Re-domiciliation Scheme to Ineligible Foreign Shareholders (the **Sale Securities**) will be issued to the Sale Agent to deal with in accordance with the Sale Facility.

Under the Sale Facility:

- (a) the Sale Agent will be responsible for selling the Sale Securities; and
- (b) as soon as reasonably practicable, and in any event within one month after the Re-domiciliation Scheme Implementation Date, the Sale Agent must:
 - (i) sell the Sale Securities, in the manner and on the terms the Sale Agent thinks fit (and at the risk of the Ineligible Foreign Shareholder); and
 - (ii) remit the net proceeds of all such sales (after deduction of any applicable fees, brokerage, taxes and charges) to BLY.

As soon as reasonably practicable (but, in any case, within 10 Business Days) after receipt by BLY from the Sale Agent of the net proceeds of the sale of all Sale Securities referred to in paragraph (b) above, BLY will remit to each Ineligible Foreign Shareholder the same portion of the net proceeds of all such sales (after deduction of any applicable fees, brokerage, taxes and charges) as the Sale Securities issued to the Sale Agent in respect of the Ineligible Foreign Shareholder bears to the total Sale Securities issued to and sold by the Sale Agent.

The payment to each Ineligible Foreign Shareholder of their respective proportion of those net proceeds will be made by BLY (at its discretion):

- (a) making a deposit in Australian currency into an account with an Australian bank notified by the Ineligible Foreign Shareholder to BLY and recorded in or for the purpose of the BLY Share Register as at the Re-domiciliation Scheme Record Date; or
- (b) sending a cheque for the relevant share of the net proceeds of sale in Australian currency by prepaid post to the Ineligible Foreign Shareholder's address as recorded in the BLY Share Register at the Re-domiciliation Scheme Record Date;

The amount of money received by each Ineligible Foreign Shareholder:

- (a) will be calculated on an averaged basis so that all Ineligible Foreign Shareholders will receive the same amount for each Sale Security, subject to rounding to the nearest whole cent; and
- (b) in respect of a Sale Security, may be more or less than the actual price that is received by the Sale Agent for that particular Sale Security.

The payment of the net proceeds from the sale of Sale Securities will be in full satisfaction of the rights of Ineligible Foreign Shareholders under the Re-domiciliation Scheme. Under the Re-domiciliation Scheme, Scheme Shareholders who are Ineligible Foreign Shareholders appoint BLY as their agent to receive any financial services guide or other notice given by the Sale Agent under the Corporations Act.

3.20 **What happens if the Re-domiciliation does not proceed?**

The Re-domiciliation will not proceed if:

- (a) the Re-domiciliation Scheme Resolution is not approved by the Requisite Majorities at the Re-domiciliation Scheme Meeting;
- (b) the Court does not approve the Re-domiciliation Scheme;
- (c) the Creditors' Schemes do not become effective; or
- (d) any other Re-domiciliation Conditions Precedent are not satisfied or waived.

If the Re-domiciliation does not proceed:

- (e) Shareholders will not have the opportunity to exchange their Shares for New BLY Parent CDIs or, in the case of Ineligible Foreign Shareholders, they will not receive the net proceeds from the sale of New BLY Parent CDIs;
- (f) Shareholders will retain their current holding of Shares (unless they sell them);
- (g) the Selective Buy-Back will not proceed;
- (h) Shares will trade on the basis that the Re-domiciliation will not proceed; and
- (i) the advantages of the Re-domiciliation described in Section 5.2 will not be realised, and the disadvantages and potential risks described in Sections 5.3, 5.4 and 5.4(c) will not arise.

4. WHAT IS THE BLY BOARD'S RECOMMENDATION AND THE OPINION OF THE RE-DOMICILIATION INDEPENDENT EXPERT?

4.1 What is the BLY Board's recommendation in respect of the Re-domiciliation?

Each of the Directors considers himself justified in making a recommendation in relation to the Re-domiciliation Scheme Resolution.

The Directors have unanimously concluded that the Re-domiciliation, which is to be implemented by way of the Re-domiciliation Scheme, is in the best interests of Shareholders and they unanimously recommend that you vote in favour of the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting.

In making this recommendation, the Directors have considered the following:

- the advantages and disadvantages of the Re-domiciliation, as described in Sections 5.2 and 5.3; and
- the potential, new and existing risks associated with the Re-domiciliation and an investment in New BLY Parent, as described in Section 5.4.

The Directors consider that the advantages of the Re-domiciliation significantly outweigh the disadvantages and potential risks.

Each Director intends to cause any Shares in which he or she has a Relevant Interest to be voted in favour of the Re-domiciliation Scheme Resolution.

4.2 What is the Re-domiciliation Independent Expert's Opinion?

The Re-domiciliation Independent Expert has concluded that the Re-domiciliation Scheme is, on balance, in the best interests of Shareholders.

A copy of the Re-domiciliation Independent Expert's Report, which includes the reasons for the Re-domiciliation Independent Expert's conclusion, is contained in Appendix A. Shareholders are encouraged to read the Re-domiciliation Independent Expert's Report in full.

5. **ADVANTAGES, DISADVANTAGES AND RISKS ASSOCIATED WITH THE RE-DOMICILIATION**

5.1 **Introduction**

Shareholders should carefully consider the following advantages and disadvantages of the Re-domiciliation, as well as the risks associated with the Re-domiciliation and an investment in New BLY Parent, in deciding whether or not to vote in favour of the Re-domiciliation Scheme Resolution.

As noted in Section 4, the BLY Board considered both the advantages and disadvantages (and potential risks) of the Re-domiciliation as part of the process undertaken prior to making their recommendation that Shareholders approve the Re-domiciliation.

5.2 **What are the advantages of the Re-domiciliation?**

The BLY Board believes that the implementation of the Re-domiciliation has the following advantages:

(a) **Potential for improved access to capital**

The future growth of BLY may require access to capital markets that are able to provide competitive funds in the form of equity and debt. A change in domicile to Canada potentially increases the attractiveness of BLY to a more diverse financial market with a strong interest in mining across the world. The Re-domiciliation also has the potential to make BLY more attractive to Canadian institutional investors and pooled funds who limit the proportion of foreign issuers in their "Canadian equity" portfolios in order to manage their international market risk. As a Canadian incorporated company, New BLY Parent should have broader access to the capital pools of Canadian and US investors who will be familiar with the Canadian legal framework. This greater access to capital and debt markets could also potentially allow New BLY Parent to limit some of its exposure to financial risk.

(b) **Greater organisational efficiency**

BLY is an ASX listed company with its headquarters based in Salt Lake City, Utah, USA where its key corporate functions and a majority of its senior management are situated. The majority of BLY's employees, as well as its institutional investors, are also located in North America. BLY operates a global diversified metals and mining business with operations in North America, Latin America, Europe, Middle East and Africa (**EMEA**) and the Asia Pacific. In 2020, operations in North America accounted for 46% of total global revenue. An additional 10% of total global revenue came from operations in Latin America which operates in a similar time zone to Salt Lake City. In contrast, operations in the Asia Pacific region accounted for approximately 25% of the BLY Group's total global revenue.

As a Canadian incorporated company, New BLY Parent will perform significant corporate functions from its US office. New BLY Parent will be in a better position to manage its operations in the USA, Canada, Latin America and EMEA given the favourable time zones and geographic proximity to these jurisdictions to the USA compared to Australia. A not insignificant advantage in this regard is that the re-domiciliation of BLY to Canada will mean that BLY's senior management team will have ready access to legal, accounting and other resources in time zones where they are located. BLY also anticipates that this alignment will, over time, result in net reductions in its overhead costs.

(c) Better alignment of capital structure with revenue sources

As noted in paragraph (b) above, BLY's operations are now heavily concentrated in North America. If the Recapitalisation is implemented, the only material financial indebtedness of the BLY Group will be the obligations of BLY US and certain BLY Group obligors under the Exit Financing Facility, being a New York law governed facility. The lenders under the Exit Financing Facility are all based in North America.

BLY's capital structure does not currently fully align its external debt to the jurisdictions where the majority of its revenue is earned, where its financial creditors are based or the governing law of its financial indebtedness. The business earns a significant proportion of its revenue in North America (U.S. and Canada), so it is preferable to, as much as possible, have the BLY Group's debt allocated to those jurisdictions, which have the greatest ability to repay it. The Directors believe that the Re-domiciliation will allow for the efficient reallocation of all its financial indebtedness to permit the BLY Group to service the debt in a more efficient manner.

(d) Aligning shareholder base and management with a familiar jurisdiction

A significant majority by value of BLY's shareholders are located in North America. That majority will increase after the Recapitalisation. The Re-domiciliation to Canada will provide additional benefits to those Shareholders located in North America in terms of familiarity with the legal jurisdiction.

The common law legal system in Canada, both federally and provincially, is considered to be a relatively predictable one and is comparable to Australia. It is, however, more familiar to the management team.

Accordingly, the BLY Board believes better aligning the shareholders and management with a more familiar jurisdiction will provide the most suitable framework for stabilising and rebuilding BLY (and shareholder value) over the medium to long term.

(e) Retention of ASX listing and familiarity with local exchange

New BLY Parent will apply for listing on the ASX. Therefore, subject to the ASX approving New BLY Parent's listing application, following implementation of the Re-domiciliation Scheme, Scheme Shareholders (other than Ineligible Foreign Shareholders) will continue to be able to hold and trade their interests on the exchange with which they are most familiar.

New BLY Parent will be required to comply with the ASX Listing Rules, including disclosure requirements under the continuous disclosure rules and lodgement of financial statements and quarterly reports.

Subject to the implementation of the Re-domiciliation, New BLY Parent also expects to pursue a dual listing on a North American stock exchange at a later date. New BLY Parent would retain the listing of the New BLY Parent CDIs on the ASX. The dual listing will provide greater access to liquidity for all Shareholders.

(f) Comparable shareholder protection

New BLY Parent is regulated by the OBCA and will continue to be subject to the rules and policies of ASX. The regulatory environment in Canada is comparable to that in Australia. Securityholders in New BLY Parent will have similar regulatory protection to that currently available under the Corporations Act to BLY. Section 8.4 of this Explanatory Memorandum sets out a comparative table of some of the key

differences between the rules governing companies under the Corporations Act and the OBCA.

(g) Reduced cost of insurance

The market for insurance in Australia has proven very expensive to BLY and the cost to maintain BLY's current levels of insurance is expected to increase in the coming years. The Re-domiciliation would allow BLY to take advantage of more competitive and cost effective insurance markets in North America.

5.3 **What are the disadvantages?**

(a) Additional cost and administrative burden to implement the Re-domiciliation Scheme

The Re-domiciliation, if approved, will result in additional up-front costs and administrative burdens to complete the transaction (including listing fees payable by New BLY Parent to ASX). As at the date of this Explanatory Memorandum, a significant proportion of these costs have already been incurred. Additional on-going costs may also be incurred as a result of the Re-domiciliation; for example, to comply with the regulatory regime in Canada. It is noted, however, that BLY has or will incur some of these additional costs regardless of whether the Re-domiciliation Scheme is approved.

(b) Change in jurisdiction

Upon completion of the Re-domiciliation, Scheme Shareholders (other than Ineligible Foreign Shareholders) will become securityholders in New BLY Parent (indirectly, through holding the New BLY Parent CDIs). Further, New BLY Parent, as a company incorporated in Canada, will not be subject to many of the provisions of the Corporations Act to which BLY is currently subject and to which some Shareholders are familiar.

Currently, Australian resident Shareholders wishing to take action to enforce the provisions of the Constitution or corporations or securities laws as they relate to BLY may take action in Australian courts, applying Australian law. After implementation of the Re-domiciliation, such actions in relation to New BLY Parent will be determined in accordance with Canadian law. An Australian securityholder will be entitled to seek enforcement of applicable laws in the same manner as a Canadian shareholder.

Although some of the material differences between Australian company law and Canadian corporate law as they relate to BLY and New BLY Parent, respectively, could be viewed as advantageous to current Shareholders, others could be viewed as disadvantageous.

Some Shareholders may not be familiar with the Canadian provisions to which New BLY Parent will be subject, and should refer to Section 8.4.

(c) Ineligible Foreign Shareholders will not be able to receive New BLY Parent CDIs

Restrictions in certain countries may make it impractical or unlawful for New BLY Parent to offer or issue New BLY Parent CDIs under the Re-domiciliation Scheme to Shareholders in those jurisdictions.

A Shareholder will be an Ineligible Foreign Shareholder

- (i) if their address as shown in the Register at the Re-domiciliation Scheme Record Date is a place outside of Australia, New Zealand, Switzerland, Hong

Kong, Spain, Luxembourg, the Netherlands, Ireland, Italy, Bermuda, the Cayman Islands, Canada or the United States of America; or

- (ii) is a Shareholder whom 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 Shareholder is located.

New BLY Parent is under no obligation to issue, and will not issue, New BLY Parent CDIs to Ineligible Foreign Shareholders. Instead, if the Re-domiciliation Scheme becomes Effective, the New BLY Parent CDIs to which an Ineligible Foreign Shareholder would have been entitled under the Re-domiciliation Scheme will be issued to the Sale Agent appointed by BLY, who will sell those New BLY Parent CDIs and the net proceeds of such sale (after deducting any applicable brokerage, stamp duty and other taxes and charges) will be distributed to Ineligible Foreign Shareholders.

Ineligible Foreign Shareholders should refer to Section 3.18(b) and 3.19 for more information as to how they will be treated under the Re-domiciliation Scheme.

(d) Taxation implications

The Re-domiciliation Scheme may have adverse taxation implications for individual Shareholders. Accordingly, Shareholders should refer to the summaries of Australia and Canadian taxation implications for certain Shareholders in Sections 9 and 10.

5.4 **What are the risks in connection with the Re-domiciliation?**

BLY and Shareholders are already subject to a number of risks, including those described in Sections 5.4(a) and 5.4(b) below.

If the Re-domiciliation 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 Re-domiciliation as well as additional risks associated with an investment in New BLY Parent. Some of these additional risks are set out below in Section 5.4(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 Re-domiciliation, but only those risks which the Directors are aware of and consider material.

(a) Risks associated with the Re-domiciliation

- (i) Re-domiciliation may fail to realise anticipated advantages

The Re-domiciliation may fail to realise all of the anticipated advantages for New BLY Parent and the BLY Group, either in a timely manner or at all.

Some of the potential advantages of the Re-domiciliation may not be achieved as a result of circumstances outside the control of BLY or New BLY Parent.

- (ii) The exact value of New BLY Parent CDIs is not certain

Under the terms of the Re-domiciliation Scheme, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive one New BLY Parent CDI for each Share they hold at the Re-domiciliation Scheme Record Date. The exact value of the New BLY Parent CDIs that would be realised by individual New BLY Parent CDI holders will depend on the price at which New BLY Parent CDIs trade after the Re-domiciliation 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 BLY Group following the Re-domiciliation. 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 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 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.

(v) 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 Creditors' 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.

(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 Re-domiciliation, 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) Tax risks for BLY

This section provides a general summary of certain Australian tax implications for BLY as a result of the Re-domiciliation Scheme. The following comments are made on the basis that after the Re-domiciliation Scheme completes BLY remains an Australian tax resident company.

The main Australian tax implication of the Re-domiciliation 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 Re-domiciliation Scheme, or transfers of BLY shares following the implementation of the Re-domiciliation 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 can't 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.

6. OVERVIEW OF BLY

6.1 Background and overview

BLY is an integrated provider of drilling services, drilling equipment and performance tooling for mining and mineral drilling companies globally.

BLY provides drilling services, drilling equipment and performance tooling to mining and drilling companies globally by offering an extensive portfolio of technologically advanced and innovative drilling services and products and operates in five geographic regions, which are defined as North America, Latin America, Europe, Asia Pacific, and Africa.

BLY is an Australian company which is listed on ASX.

6.2 Operations

BLY is a global mineral exploration company founded in 1890. It is headquartered in Salt Lake City, Utah, United States. Regional offices and operations are located in the Asia-Pacific region, North and South America, Europe, and Africa. BLY provides mineral exploration services and drilling products for the global mining industry and also has a presence in drilling water exploration, environmental sampling, energy, and oil sands exploration.

6.3 Board of Directors and management

(a) Board of Directors

As at the date of this Explanatory Memorandum, the BLY Board consists of the following persons:

- Mr Jeffrey Olsen
- Mr Kevin McArthur
- Mr Tye Burt
- Mr James Kern
- Mr Rubin McDougal
- Mr Jason Ireland
- Mr Robert Smith
- Mr Conor Tochilin

Further information about the Directors, their experience and qualifications can be obtained by visiting BLY's website (<https://www.boartlongyear.com/company>).

(b) Management

As at the date of this Explanatory Memorandum, the senior management team of BLY consists of the following persons:

- Mr Jeffrey Olsen – President and Chief Executive Officer
- Mr Denis Despres – Chief Operating Officer
- Mr Miguel Desdin – Chief Financial Officer

- Ms Nora Pincus - Chief Legal Officer, General Counsel and Corporate Secretary
- Kari Plaster – Vice President of Human Resources
- Pat Nill- Vice President of Global Products
- Michael Ravella- Vice President of Geological Data Services

6.4 **Director nomination rights**

Under the terms of the Restructuring Support Agreement, BLY has agreed that the post-Recapitalisation composition of the BLY Board, and if the Re-domiciliation is implemented, the New BLY Parent Board, will consist of nine directors and include:

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

The above nomination rights contemplated by the Restructuring Support Agreement will be further documented through the entry into the BLY Director Nomination Agreements pursuant to which, whilst the BLY Board is comprised of nine directors, BLY will grant to CBP the right to nominate five persons for appointment to the BLY Board, and to Ad Hoc Group the right to nominate three persons for appointment to the BLY Board.

If the Re-domiciliation is approved and implemented, the director nomination rights contemplated by the Restructuring Support Agreement will be documented by New BLY Parent Director Nomination Agreements. The New BLY Parent Director Nomination Agreements will be governed by Canadian law

The BLY Director Nomination Agreements (and, if the Re-domiciliation is approved and implemented, the New BLY Parent Director Nomination Agreements) will replace existing director nomination rights granted to CBP, Ares and Ascribe under the current director nomination agreements between those parties and BLY.

A summary of CBP and the Ad Hoc Group's rights to nominate directors to the BLY Board under the BLY Director Nomination Agreements where the BLY Board comprises nine directors and, if the Re-domiciliation is approved and implemented, the New BLY Parent Director Nomination Agreements, is set out in the following table.

CBP		Ad Hoc Group
Percentage shareholding in Retained Shares in BLY or New BLY Parent (as applicable)	Number of directors who can be nominated under CBP Director Nomination Agreement	Number of directors who can be nominated under the Ad Hoc Group Director Nomination Agreements
40% or more	5	3
35.00% or more but less than 40.00%	4	3
30% or more but less than 35.00%	3	3

	CBP	Ad Hoc Group
20% or more but less than 30.00%	2	2
10% 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) in accordance with its 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 the Company, Centerbridge will have the right to nominate six directors for appointment to the BLY Board.

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

6.5 **Historical financial information**

The historical financial information for BLY is contained in the audited consolidated financial statements for BLY and its controlled entities for the years ended 31 December 2020, 31 December 2019 and 31 December 2018. BLY will provide a copy of these statements free of charge to anyone who requests a copy.

Shareholders may also view complete copies of these statements on ASX's website at www.asx.com.au or BLY's website at www.boartlongyear.com.

6.6 **Update on financial information since last annual report**

Other than as disclosed in this Explanatory Memorandum and in announcements to ASX, within the knowledge of the BLY Board, the financial position of BLY has not changed materially since 31 December 2020, being the last date of the period to which the financial statements for the financial year ended 31 December 2020 relate.

6.7 **Capital structure**

As at the date of this Explanatory Memorandum, the equity capital structure of BLY is as follows:

Securities	Number
Shares	88,511,800
Ordinary Warrants (quoted)	2,012,403
BLY Options	43,158

Securities	Number
Class A 7% Warrants and Class B 7% Warrants (both unquoted)	427,816

The number of Shares on issue will change if any of the Existing Warrants or BLY Options are exercised.

The following table summarises the voting power in BLY of the substantial shareholders in BLY as at the date of this Explanatory Memorandum (to one decimal place):

Party	Voting Power
CBP	53.3%
Ad Hoc Group	23.6%
Other shareholders	23.1%
TOTAL	100%

Note: the AHG Members consider that they may be deemed to be associates of each other in relation to BLY by virtue of section 12(2)(b) or 12(2)(c) of the Corporations Act on the basis that the Restructuring Support Agreement contemplates that they will have a collective right to nominate a specified number of individuals for appointment to the BLY Board from time to time on and from the Creditors' Schemes Implementation Date. That right will arise under the Ad Hoc Group Director Nomination Agreements. Consequently, each of the AHG Members has disclosed that it has voting power equal to the aggregate of the total number of votes attaching to voting shares in which any of the AHG Members hold a relevant interest

6.8 **Intentions regarding the continuation of BLY's business**

The Corporations Regulations require a statement by the Directors of their intentions if the Re-domiciliation Scheme is implemented. Given the commonality of the Directors and the proposed New BLY Parent Directors, BLY refers to the New BLY Parent Directors' intention statements contained in Section 7.6.

7. OVERVIEW OF NEW BLY PARENT FOLLOWING IMPLEMENTATION OF THE RE-DOMICILIATION SCHEME

7.1 Introduction

New BLY Parent was incorporated on 15 July 2021 in Ontario, Canada as a corporation under the OBCA.

New BLY Parent was incorporated for the sole purpose of the Re-domiciliation. As a result, prior to implementation of the Re-domiciliation, New BLY Parent has not conducted, and will not conduct, any business other than performing the acts that are detailed in this Explanatory Memorandum.

As at the date of this Explanatory Memorandum, New BLY Parent has one common share on issue, which is held by the Individual Shareholder (**Subscriber Share**). The Subscriber Share was issued upon the incorporation of New BLY Parent. New BLY Parent currently has no other securities outstanding. Following the Re-domiciliation, the Subscriber Share will be re-purchased by New BLY Parent. New BLY Parent is not currently a reporting issuer in Canada and no decision has been made as to timing or if New BLY Parent will become a reporting issuer in Canada.

New BLY Parent is not currently listed on any securities exchange, but will apply to be admitted to the official list of ASX within seven days after the day of this Explanatory Memorandum. New BLY Parent will also be registered in Australia as a foreign company under section 601CD of the Corporations Act. BLY has been appointed as the local agent in Australia for New BLY Parent.

New BLY Parent is authorised to issue an unlimited number of common shares.

If the Re-domiciliation Scheme is implemented, on the Re-domiciliation Scheme Implementation Date, all of the New BLY Parent CDIs will be owned by Scheme Shareholders (other than Ineligible Foreign Shareholders, whose New BLY Parent CDIs will be issued to the Sale Agent, subject to their sale in accordance with clause 3.3 of the Re-domiciliation Scheme) in the same percentages as their existing holdings in BLY. New BLY Parent will, in turn, become the holder of all of the Shares.

7.2 New BLY Parent Board

Under the terms of the Restructuring Support Agreement, BLY has agreed that the post-Recapitalisation composition of the BLY Board, and if the Re-domiciliation is implemented, the New BLY Parent Board, will consist of nine directors and include:

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

The above nomination rights contemplated by the Restructuring Support Agreement will be further documented through the entry into the BLY Director Nomination Agreements pursuant to which, whilst the BLY Board is comprised of nine directors, BLY will grant to CBP the right to nominate five persons for appointment to the BLY Board, and to Ad Hoc Group the right to nominate three persons for appointment to the BLY Board.

If the Re-domiciliation is approved and implemented, the director nomination rights contemplated by the Restructuring Support Agreement will be documented by the New BLY

Parent Director Nomination Agreements. The New BLY Parent Director Nomination Agreements will be governed by Canadian law.

The BLY Director Nomination Agreements (and, if the Re-domiciliation is approved and implemented, the New BLY Parent Director Nomination Agreements) will replace existing director nomination rights granted to CBP, Ares and Ascribe under the current director nomination agreements between those parties and BLY.

Each of the existing Directors will initially be appointed as a New BLY Parent Director on implementation of the Re-domiciliation, with the Nominee Directors to be subsequently appointed as New BLY Parent Directors after implementation of the Re-domiciliation.

The New BLY Parent Director Nomination Agreements will be substantially on the same terms as the BLY Director Nomination Agreements, subject to any limitation to CBP or the Ad Hoc Group's rights under the relevant agreement as required by local law or practice. The rights of CBP and the Ad Hoc Group to nominate directors to the New BLY Parent Board are summarised in the table in Section 6.4.

7.3 Management of New BLY Parent

There are no proposed changes to BLY's senior management as a result of the Re-domiciliation.

7.4 Dividend policy

BLY does not currently pay dividends.

The New BLY Parent Directors will review the amount of any future dividends to be paid having regard to the company's profits, its financial position and the board's assessment of the capital required to grow the business of New BLY Parent.

7.5 Principal activities of New BLY Parent following implementation of the Re-domiciliation

The principal activities of New BLY Parent will be the same as the principal activities of BLY, as set out in Section 6.

7.6 New BLY Parent intentions for business, assets and employees of BLY following implementation

(a) Introduction

The statements set out in this Section 7.6 are statements of current intention only, which may change as new information becomes available or as circumstances change, and the statements in this Section 7.6 should be read in this context.

(b) BLY de-listed

If the Re-domiciliation Scheme is implemented, BLY will request ASX to remove BLY from its official list.

(c) BLY's business, assets and employees

If the Re-domiciliation is implemented, New BLY Parent:

- does not intend to make any changes to BLY's operations;
- does not intend to change the structure of BLY's current company workforce;

- intends to continue the business of BLY;
- does not intend to make any major changes to the business of BLY or redeploy any of the fixed assets of BLY; and
- does not intend to make any changes to the corporate and head office functions of BLY.

7.7 **Audit standards**

Following listing on ASX, New BLY Parent's auditor will apply the Australian Auditing Standards.

7.8 **Capital structure immediately following the Re-domiciliation**

The capital structure of New BLY Parent immediately following the implementation of the Re-domiciliation Scheme and assuming that prior to the Re-domiciliation Scheme Record Date: (a) no Existing Warrants or New Warrants are converted into Shares; (b) no Shares are issued on the exercise of the BLY Options; (c) the maximum number of Shares are issued under the Share Purchase Plan and the Creditor Share Purchase Option prior to implementation of the Re-domiciliation and (d) no Shares are bought back under the Selective Buy-Back, will be as follows:

Shares	Number
New BLY Parent Shares	297,641,816
Other securities	Number
New Warrants	32,782,148
Ordinary Warrants	100,620
Class A 7% Warrants	14,139
Class B 7% Warrants	7,252
BLY Options	2,158

7.9 **Risks involved in an investment in New BLY Parent**

As noted in Section 5.4(b), holders of securities in New BLY Parent will be subject to the existing risks of an investment in BLY. There are also additional or increased risks of an investment in New BLY Parent, which are set out in Section 5.4(c).

In addition, there may be additional risks associated with the change in jurisdiction from Australia to Canada. Shareholders should refer to Section 8.4 for more information about certain key differences between company rules under Australian and Canadian law.

7.10 **Interests in BLY securities and voting power in BLY**

As at the date of this Explanatory Memorandum, New BLY Parent and its associates:

- (a) do not have a Relevant Interest in any Shares or other BLY securities; and
- (b) have a total aggregate voting power in BLY of 0.00%.

Other than the consideration to be provided under the Re-domiciliation Scheme, none of New BLY Parent or its associates have provided, or agreed to provide, consideration for any Shares during the four months before the date of this Explanatory Memorandum.

8. IMPLICATIONS OF NEW BLY PARENT BEING A CANADIAN COMPANY

8.1 Overview

Following implementation of the Re-domiciliation, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive securities in New BLY Parent (being a beneficial interest in the New BLY Parent Shares held in the form of the New BLY Parent CDIs), which is a company incorporated in Ontario, Canada and which will be listed on ASX.

This Section includes a summary of the rights attaching to New BLY Parent Shares, including under the Articles and By-Laws. A copy of the Articles and By-Laws is available on BLY's website (<https://www.boartlongyear.com/>).

This Section also provides an overview of the consequences of New BLY Parent being a limited company incorporated in Ontario, Canada, including a summary of the applicable laws that will apply to New BLY Parent. Further information on the CDI arrangements applying to New BLY Parent CDIs is set out in Appendix E.

8.2 Listing of New BLY Parent on ASX

New BLY Parent will apply to ASX for admission to the official list of ASX as a standard (full) ASX listing and for official quotation of New BLY Parent Shares (represented by New BLY Parent CDIs) and Ordinary Warrants on ASX within seven days after the date of this Explanatory Memorandum. It is expected that by 30 September 2021 New BLY Parent will be admitted to the official list of ASX and New BLY Parent CDIs will commence trading on ASX on a deferred settlement basis. Normal settlement trading of New BLY Parent CDIs is expected to commence on 6 October 2021.

It is the responsibility of each Scheme Shareholder (who is not an Ineligible Foreign Shareholder) to determine their entitlement to New BLY Parent CDIs before trading in those securities to avoid the risk of selling New BLY Parent CDIs they do not or will not own. If a Shareholder sells New BLY Parent CDIs without receiving confirmation of their own entitlement, they do so at their own risk.

8.3 Rights attaching to New BLY Parent Shares

The following is a summary of the principal rights attaching to New BLY Parent Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of New BLY Parent Shareholders, which can involve complex questions of law arising from the interaction of the Articles and By-Laws and Canadian statutory and common law requirements.

The rights attaching to New BLY Parent Shares arise from a combination of the Articles and By-Laws, the OBCA and generally applicable Canadian law. This summary should be read in conjunction with the information set out in Appendix E.

(a) General meetings

New BLY Parent must hold an annual general meeting not more than 15 months after the last preceding annual meeting (or within 18 months of incorporation) at such time and place as may be determined by the New BLY Parent Directors. The New BLY Parent Directors may, at any time, call a meeting of New BLY Parent Shareholders to be held at such time and place as may be determined by the New BLY Parent Directors. As such, meetings of New BLY Parent Shareholders may be held outside Australia.

(b) Quorum

A quorum for a meeting of New BLY Parent Shareholders is the presence of shareholder(s) who, in aggregate, hold at least 25% of the voting rights attached to issued shares entitled to be voted at the meeting (in person or represented by proxy).

(c) Voting

Subject to any special rights or restrictions as to voting attached to any New BLY Parent Shares (represented by New BLY Parent CDIs):

- on a show of hands, every person present who is a New BLY Parent Shareholder or proxy holder and entitled to vote on the matter, has one vote; and
- on a poll, every New BLY Parent Shareholder entitled to vote on the matter has one vote in respect of each New BLY Parent Share entitled to be voted on that matter and held by that New BLY Parent Shareholder and may exercise that vote either in person or by proxy.

(d) Dividends

Subject to the rights, if any, of New BLY Parent Shareholders holding New BLY Parent Shares with special right as to dividends, the New BLY Parent Board may, subject to compliance with the relevant solvency tests under the OBCA, from time to time declare and authorise payment of such dividends, if any, as they may consider appropriate.

(e) Winding up

Each holder of New BLY Parent Shares is entitled to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of New BLY Parent, the remaining property of New BLY Parent upon the liquidation, dissolution or winding-up of New BLY Parent, whether voluntary or involuntary. If New BLY Parent is wound up, the liquidator may, with the authority of a special resolution, after adequately providing for payment or discharge of its obligations, distribute its remaining property, either in money or in kind, among shareholders according to their respective rights. Upon application of an interested person, this may be conducted under the supervision of the courts.

(f) Transfer of shares

Generally and subject to compliance with applicable Canadian securities law exemptions, New BLY Parent Shares are freely transferrable, subject to formal requirements and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of applicable law. Applicable securities laws and rules of any stock exchange on which New BLY Parent Shares may be listed may also impose hold periods on such shares and certain shareholders.

(g) Future increases in capital

Subject to the OBCA and the rights of the holders of issued New BLY Parent Shares (or New BLY Parent CDIs), if any, New BLY Parent may at any time and from time to time issue such number of New BLY Parent Shares on the terms and conditions and for the issue prices that the New BLY Parent Directors may determine.

(h) Variation of rights attaching to shares

New BLY Parent may by special resolution (66 2/3 %) alter the Articles (unless in certain limited circumstances the OBCA or the Articles specify another type of resolution).

(i) Directors

The number of New BLY Parent Directors must be a minimum of one director (unless it is a public company, in which case it shall have a minimum of three directors) and a maximum of nine directors. New BLY Parent must also comply with the provisions of the New BLY Parent Director Nomination Agreements.

(j) Redemption or repurchase of New BLY Parent Shares

The Articles prevent New BLY Parent from redeeming or repurchasing BLY's Shares on a non-pro rata basis (other than in respect of the Subscriber Share which will be repurchased by New BLY Parent following the Re-domiciliation).

(k) Pro rata offer of preference shares

All holders of New BLY Parent Shares will be entitled under the Articles to participate on a pro rata basis in any offering of preference shares by New BLY Parent.

8.4 **Comparison of Australian and Canadian company rules**

BLY is a public company registered in Victoria under the Corporations Act. The New BLY Parent is a company which is incorporated in Ontario, Canada and will be subject to a variety of laws and regulations, including the provisions of the OBCA.

Where the Re-domiciliation Scheme is approved and implemented, the rights and protections to members in relation to the New BLY Parent will differ to those under Australian law. As New BLY Parent will be incorporated in Ontario, Canada, New BLY Parent will not be subject to many of the provisions of the Corporations Act to which BLY is currently subject and to which Shareholders are familiar. However, the regulatory environment in Canada is comparable to that in Australia. Securityholders in New BLY Parent will have similar regulatory protection to that currently available under the Corporations Act to BLY. However, if the Re-domiciliation Scheme is not approved, the rights and protections to members in relation to the Shares will remain subject to Australian law.

A comparison of some of the material provisions governing BLY and New BLY Parent respectively is set out below. References to 'Australian law' where they appear in this Section are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to 'Canadian law' are references to the OBCA, applicable Canadian securities law and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. It should also be read in conjunction with the disclosures in Section 8.3 above. Shareholders should consult with their own legal advisers if they require further information.

Requirement	Australia	Canada
<i>Rights attaching to shares</i>		
Purchase of own shares	<p>Under the Corporations Act, a company may buy-back its shares under a specific buy-back scheme:</p> <ul style="list-style-type: none"> • if the buy-back does not materially prejudice the company's ability to pay its creditors; and • the company follows the procedures set out in the Corporations Act. <p>Other than for a minimum holding share buy-back, a share buy-back which would result in a company having bought back (in aggregate with any other buy-backs in the previous 12 months) more than 10% of the votes attaching to the smallest number of shares on issue in the previous 12 months will require shareholder approval.</p> <p>The form of shareholder approval (e.g. ordinary resolution or special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to shareholders, will depend on the type of buy-back. Generally, buy-backs can be characterised as minimum holding, equal access, selective, on-market or relating to employee shares schemes.</p>	<p>Under the OBCA, a company may repurchase its shares, if it is so authorized by, and subject to any restrictions in, its articles and applicable securities laws, unless there are reasonable grounds for believing that the company is, or would after the repurchase be, unable to pay its debts as they become due in the ordinary course of its business.</p> <p>Under Canadian securities legislation, a repurchase of its shares by a company may constitute an "issuer bid" and could only be effected in accordance with the provisions of Canadian securities legislation (including any exemptions therefrom).</p>

Requirement	Australia	Canada
Source and payment of dividends	<p>A company must not pay a dividend unless:</p> <ul style="list-style-type: none"> its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; the dividend is be fair and reasonable to the company's shareholders as a whole; and the payment of the dividend does not materially prejudice the company's ability to pay its creditors. <p>Additionally, where a distribution is paid out of capital, the provisions of the Corporations Act relating to reductions of capital must also be complied with.</p>	<p>Subject to its constating documents, under the OBCA, a company may declare and pay a dividend by issuing fully paid shares or options or rights to acquire fully paid shares. Directors of an OBCA company may also declare and pay a dividend in money or property unless there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due after the payment, or the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.</p>
Variation of class rights	<p>Under the Corporations Act, rights attaching to a class of shares may only be varied or cancelled by:</p> <ul style="list-style-type: none"> if the company's constitution sets out the required procedure, that procedure; and if the company's constitution does not set out the required procedure, a special resolution of the company's shareholders and (1) a special resolution of those members holding shares in that class or (2) written consent from the holders of 75% of the votes in that class. 	<p>The OBCA provides that the rights attached to issued shares may not be added to, removed or changed unless the shareholders holding that class of shares consent to vote separately as a class and approve the amendment by a special resolution (66 2/3%).</p>
Capital raising		
Issue of new shares	<p>The Corporations Act allows directors to issue shares without shareholder approval.</p> <p>Subject to specified exceptions (for pro rata issues etc), the ASX Listing Rules restrict a company admitted to the official list of ASX from issuing, or agreeing to issue, more than 15% of the total of the number of securities (calculated according to a prescribed equation) in any rolling 12 month period without shareholder approval.</p>	<p>As New BLY Parent intends to be listed on ASX, the ASX Listing Rules regarding restrictions on the issue of new securities will continue to apply to New BLY Parent.</p>
Continuous disclosure	<p>Under the ASX Listing Rules, a company admitted to the official list of ASX is required to disclose to ASX any information concerning the</p>	<p>As an ASX-listed company, New BLY Parent will need to comply with the continuous</p>

Requirement	Australia	Canada
	company that a reasonable person would expect to have a material effect on the price or the value of its securities.	disclosure regime under the ASX Listing Rules.
Directors		
Fiduciary duties of directors and officers	Under Australian law, the directors and officers of a company are subject to certain duties, including to act in good faith in the interests of the company, act for a proper purpose, not fetter their discretion (in the case of directors only), exercise care, skill and diligence, avoid conflicts of interest, not use their position to their advantage, and not misappropriate company property.	Under Canadian law, every director and officer of a company, in exercising their powers and performing their functions must act honestly and in good faith with a view to the best interests of the company, exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.
Remuneration of directors and officers	<p>Under the ASX Listing Rules, for a company admitted to the official list of ASX, the maximum amount to be paid to a company's directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting.</p> <p>Australian law gives shareholders of listed companies the right to participate in a non-binding vote, to be held at the annual general meeting (AGM), on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of the company.</p>	The ASX Listing Rules concerning the maximum amount to be paid to a company's directors will continue to apply to New BLY Parent as an ASX-listed company.
Retirement benefits	<p>Under the Corporations Act, a company is allowed to pay benefits to directors and officers on their retirement or termination. Such benefits require shareholder approval in certain circumstances (including where the person holds managerial or executive office).</p> <p>Under the ASX Listing Rules, for a company admitted to the official list of ASX, termination benefits to directors (that are or may be payable to all officers in aggregate) must not exceed 5% of the equity interests of a company as set out in its latest financial statements given</p>	The restrictions on termination benefits payable to directors under the ASX Listing Rules will continue to apply to New BLY Parent.

Requirement	Australia	Canada
	to ASX without shareholder approval.	
Insider trading	Under the Corporations Act, any person who possesses price sensitive information relating to a company or its securities is prohibited (subject to limited exceptions) from acquiring, disposing of or applying for those securities or procuring others do so, and from communicating the information to third parties.	<p>Canadian securities laws prohibit trading with knowledge of a material fact or material change with respect to a reporting issuer that has not been generally disclosed. In addition, National Instrument 55-102 of the Canadian Securities Administrators System for <i>Electronic Disclosure Insiders (SEDI)</i> establishes a mandatory system of electronic reporting of trading activity by certain insiders of each reporting issuer.</p> <p>However, New BLY Parent is not currently a reporting issuer in Canada.</p>
Director's declarations of interest	The Corporations Act generally requires a company's director who has a material personal interest in a matter that relates to the affairs of the company to give the other directors notice of that interest. If the company is a public company, that director must not be present at a meeting where the matter is being considered or vote on the matter, unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the director has an interest. A company's directors, when entering into transactions with the company, are subject to the common law and statutory duties to avoid conflicts of interest.	<p>Under the OBCA, subject to certain exceptions, a director or officer will hold a disclosable interest in a contract or transaction that a company has entered into or proposes to enter into if that contract or transaction is material to the company, and the director or officer has or is a director or officer of or has a material interest in a person who has a material interest in the contract or transaction. Directors and officers must disclose in writing or by request to have it entered in the minutes of meetings of directors or meetings of committees of directors to the company the nature and extent of any disclosable interest that they may have.</p> <p>Subject to certain exemptions, no director having a disclosable interest may attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction. However, if all of the directors have a disclosable interest in a contract or transaction, the contract or transaction may be approved only by the</p>

Requirement	Australia	Canada
		<p>shareholders. Under the OBCA, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the director has an interest.</p> <p>Please also see independent formal valuation, minority vote and disclosure requirements under MI 61-101 (as defined below) under "Related party transactions", which applies to reporting issuers.</p>
Release from liability and indemnification of directors and officers	<p>A company may not generally exempt an officer from liability to the company incurred as an officer of the company.</p> <p>In addition, a company or related body corporate must not indemnify (other than for legal costs, which are permitted in certain scenarios) a person against any of the following liabilities incurred as an officer of the company:</p> <ul style="list-style-type: none"> • a liability to the company or related body corporate; • a liability for a pecuniary order or compensation order under the Corporations Act; or • a liability owed to anybody else that does not arise out of conduct in good faith. <p>A company is generally permitted to purchase and maintain insurance for its directors (or directors of its associated companies).</p>	<p>A company must not indemnify a director or pay the expenses of a director:</p> <ul style="list-style-type: none"> • if the director did not act honestly and in good faith with a view to the best interests of the company or the associated corporation; or • for a proceeding other than a civil proceeding, if the director did not have reasonable grounds for believing that the directors' conduct in respect of which the proceeding was brought was lawful. <p>A company may purchase and maintain insurance for the benefit of directors or officers against any liability incurred by the individual:</p> <ul style="list-style-type: none"> • in the individual's capacity as a director or officer of the corporation; or • in the individual's capacity as a director or officer, or a similar capacity, of another entity, if the individual acts or acted in that capacity at that corporation's request.
Member's meetings		
Meetings of shareholders	A company's AGM must be held at least once in each calendar year and within five months after the end of its financial year. A general meeting	A company must hold an AGM not later than eighteen month after the corporation comes into existence and no later

Requirement	Australia	Canada
	<p>of a company's shareholders may be called from time to time by the company's board, the company's individual directors or by the company's shareholders with at least 5% of the votes that may be cast at a general meeting.</p>	<p>than fifteen months after the previous year's AGM. A company's board of directors may call a meeting of the shareholders of the company at any time. Holders at least 5% of the issued shares of the company that carry the right to vote at an AGM may requisition the directors of the company to call a meeting.</p>
<p>Notice of meetings</p>	<p>For a listed company, notice of a general meeting must be given at least 28 days before the date of the meeting. The notice must be given to each shareholder entitled to vote at the meeting as well as to the company's directors and auditors.</p>	<p>A company that is a reporting issuer must provide at least 21 (10 for non-reporting issuers) days' (and not more than fifty days in either case) notice of the date, time and location of all shareholder meetings to each shareholders entitled to vote at the meeting, to each company director, and to the auditor of the corporation.</p> <p>As a "reporting issuer" under Canadian securities law, a company must also give notice to certain beneficial shareholders. Management proxy circulars, in a required form must be provided in connection with any solicitation of proxies by management.</p> <p>The articles of an Ontario company typically provide that a notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of directors, reappointment of the incumbent auditor and consideration of the financial statements and auditor's report, is deemed to be special business.</p> <p>National Instrument 54-101 of the Canadian Securities Administrators <i>Communications with Beneficial Owners of Securities</i> of a reporting issuer, requires</p>

Requirement	Australia	Canada
		<p>a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and a record date for notice for the meeting which shall be no fewer than 30 and no more than 60 days before the meeting date and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.</p>
<p>Ordinary and special resolutions</p>	<p>Unless the Corporations Act or the constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution by shareholders entitled to vote on the resolution.</p> <p>A special resolution may be passed if notice of a general meeting is given which specifies the intention to propose the special resolution and states the resolution to be proposed.</p> <p>A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by a company by special resolution, including the change of name of the company, a selective reduction of capital or selective share buy-back, the conversion of the company from one type or form to another and a decision to wind up the company voluntarily.</p> <p>Under the Corporations Act, a special resolution is also required to modify or repeal a company's constitution.</p>	<p>Unless the OBCA or the company's articles require a special resolution, ordinary resolutions are required and are passed by a simple majority of votes cast on the resolution. A special resolution must be passed by a majority of not less than two-thirds of the votes cast by shareholders entitled to vote after proper notice is given. Under the OBCA, certain matters must be approved by special resolution. Some of these matters include: reducing stated capital, certain amalgamations, arrangements, continuance into another jurisdiction, a sale, lease or disposition of all or substantially all of a company's undertaking and voluntary liquidation.</p> <p>If a special resolution is to be considered at a meeting of a company's securityholders, the notice must specify the intention to propose a special resolution. The articles of most Ontario companies require that the notice state the general nature of any special business to be considered and include a copy of any document to be considered or a statement regarding where and when a copy is available for inspection.</p>
<p>Shareholder proposed resolutions</p>	<p>Under the Corporations Act, shareholders holding at least 5% of the votes that may be cast at a</p>	<p>Under the OBCA,</p>

	<p>general meeting, or at least 100 shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months' after the date of that notice.</p>	<p>(a) a registered holder of shares entitled to vote; or</p> <p>(b) a beneficial owner of shares that are entitled to be voted at a meeting of shareholders,</p> <p>may submit to the company 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 . A proposal may include nominations for the election of directors if it is signed by one or more holders of shares representing in aggregate at least 5% of total shares or 5% of a class or series of shares entitled to vote at the meeting to which the proposal is to be presented.</p> <p>A company that receives a notice of a proposal must set out the proposal in the management information circular or attach the proposal to that circular. If the corporation does not provide a management information circular, it shall set out the proposal in the notice of the meeting for the shareholder's meeting at which the matter is proposed to be raised or shall attach the proposal to such notice of meeting.</p> <p>The OBCA provides exemptions from the requirements to include a proposal in a company's management information circular in circumstances including where:</p> <ul style="list-style-type: none"> • the notice of the proposal is submitted less than 60 days before the anniversary date of the last annual meeting; • it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the company or its directors, officers or security holders;
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Requirement	Australia	Canada
		<ul style="list-style-type: none"> substantially the same proposal was submitted to shareholders in a notice of meeting, or an information circular or equivalent, relating to a general meeting that was held not more than 5 years before the receipt of the proposal, and did not receive the prescribed amount of support at the meeting; it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company; within two years before the receipt by the company of a person's notice of proposal, the person failed to present, in person or by proxy, at a meeting of the company's shareholders, a proposal which had been submitted by the person and had been included in a management information circular or a notice of meeting relating to that shareholders' meeting.
Voting	<p>Each fully paid ordinary share of a company confers a right to vote at all general meetings. On a show of hands, each company shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, the company's shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every fully paid ordinary share held. A signed proxy form must be received at least 48 hours (or such lesser time prescribed by the company's constitution) before a meeting.</p> <p>A poll may be demanded by:</p> <ul style="list-style-type: none"> the chairman of the general meeting; at least five shareholders entitled to vote on the resolution; or 	<p>Subject to other sections of the OBCA and unless the articles provide otherwise, each share of a corporation entitles the holder thereof to one vote at a meeting of shareholders. Unless the articles provide otherwise, voting at a meeting of shareholders shall be by show of hands, except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting.</p> <p>A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands.</p>

Requirement	Australia	Canada
	shareholders present at the meeting holding at least 5% of the votes that may be cast on the resolution(calculated as at the midnight before the poll is demanded).	
Relationship between the company and its members		
Related party transactions	<p>The Corporations Act prohibits a public company from giving a related party a financial benefit unless it obtains the prior approval of shareholders and gives the benefit within 15 months after approval or the financial benefit is exempt. A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity that controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are reasonable in the circumstances.</p> <p>The ASX Listing Rules prohibit a company admitted to the official list of ASX (and its child entities) from acquiring or agreeing to acquire a substantial asset (asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of or agreeing to dispose of a substantial asset to, certain parties included related parties without shareholder approval.</p> <p>The related parties include (but are not limited to) directors of the entity and an entity that controls the entity; a subsidiary of the entity; a person who has or has had in the prior six month period a Relevant Interest in 10% or more of the shares in the entity and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.</p> <p>The ASX Listing Rules also prohibit a company admitted to the official list of ASX from issuing or agreeing to issue shares to related parties unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues</p>	<p>A company may be subject to Multilateral Instrument 61-101 – <i>Protection of Minority Security Holders in Special Transactions</i>, which imposes independent formal valuation, minority approval and disclosure requirements on entities involved in certain related party transactions. A related party transaction includes transactions between an issuer and a person that is a related party to the issuer at the time of the relevant agreement, whether or not there are also other parties to the transaction, as a consequence of which, either in a single transaction or multiple transactions, the issuer directly or indirectly, among other things, purchases or acquires an asset from or sells or transfers an asset to a related party for valuable consideration; leases property to or from a related party; acquires or combines with a related party through an arrangement or otherwise; issues a security to or subscribes for a security of a related party; becomes subject to a liability of a related party or provides or materially amends the terms of a guarantee or collateral security for a debt or liability of a related party; or borrows money from, lends money to, releases, cancels, forgives or materially amends the terms of an outstanding debt or liability owed by a related party.</p> <p>In addition, the OBCA requires directors and officers to disclose to the company the nature and extent of any interest that they may have in</p>

Requirement	Australia	Canada
	include issues made pro rata to all shareholders, under an underwriting agreement, under a dividend or distribution plan or under an approved employee incentive plan.	<p>a material contract or transaction, whether made or proposed, with the company, if they:</p> <ul style="list-style-type: none"> • are a party to the material contract or transaction or proposed material contract or transaction with the company; • are a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or • have a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the company. <p>Except as provided in the OBCA, no director having such an interest may vote on any resolution to approve such contract or transaction unless the contract or transaction:</p> <ul style="list-style-type: none"> • relates primarily to his or her remuneration as a director, officer, employee or agent of the company or an affiliate; • is for indemnity or insurance; or • is with or for the benefit of an affiliate of the company. <p>A contract or transaction with a company is not invalid merely because:</p> <ul style="list-style-type: none"> • a director or officer of the company has a material interest, direct or indirect, in the contract or transaction, or • the director or officer is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, <p>if the director or officer disclosed his or her interest in accordance with the OBCA and</p>

Requirement	Australia	Canada
		<p>the contract or transaction was reasonable and fair to the corporation at the time it was approved.</p> <p>New BLY Parent will need to ensure compliance with the ASX Listing Rules in relation to related party transactions.</p>
<p>Protection of minority shareholders / oppression remedy</p>	<p>Under the Corporations Act, any shareholder of a company can apply to the Court seeking various orders where the conduct of the company is contrary to the interests of shareholders as a whole, or is oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any company shareholder(s) (whether in their capacity as a shareholder or in any other capacity). Former shareholders can also apply for such orders if it relates to the circumstances in which they ceased to be a shareholder.</p> <p>A statutory derivative action (broadly, to bring proceedings on behalf of a company or to intervene in any proceedings to which company is a party) may also be instituted by:</p> <ul style="list-style-type: none"> • a shareholder, former shareholder or person entitled to be registered as a shareholder of the company or a related body corporate; or • an officer or former officer of the company. <p>In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:</p> <ul style="list-style-type: none"> • it is probable that the company will not itself bring the proceedings or properly take responsibility for them or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of the company that the applicant be granted leave; • if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and 	<p>Under the OBCA, a "complainant" (defined under the OBCA to include shareholders, directors and any other persons whom the court considers to be appropriate persons to make an application) may apply to the court for leave to bring an action in the name and on behalf of a company or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate. In certain circumstances, the OBCA allows for a registered holder or a beneficial owner of a security to apply to court to have an investigator appointed to investigate the company's affairs.</p> <p>The OBCA, to a large extent, has supplemented the Canadian common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf of a company or any of its subsidiaries, the statutory provisions of the OBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the company. In order for the Court to grant leave to a complainant, certain substantive and procedural requirements must be met, including the court being satisfied that (1) the directors of the corporation or its subsidiary will not bring, diligently prosecute or defend</p>

Requirement	Australia	Canada
	<ul style="list-style-type: none"> the applicant gives proper written notice to the company specifying its intention to and reasons for applying or it is otherwise appropriate to give leave. 	<p>or discontinue the action; (2) notice of the application for leave has been given to the company and to any other person the court may order; (3) the complainant is acting in good faith; and (4) the derivative action appears to be in the interests of the company or its subsidiary.</p> <p>In addition, a shareholder or other person whom the court considers appropriate may apply to the court for an order on the grounds that the affairs of the company are being or have been conducted or the powers of the directors are being or have been exercised in a manner that is oppressive to one or more shareholders or that some act or proposed act of the company or resolution of the shareholders is unfairly prejudicial to one or more shareholders. The court has the power to make any order it thinks fit to remedy the oppressive behaviour, including prohibiting or directing any act, appointing or removing directors or directing that the company be wound up.</p> <p>The OBCA provides shareholders with dissent rights in connection with certain corporate matters, generally including amalgamations, arrangements, the sale, lease or disposition of all or substantially all of the company's undertaking and the continuance into another jurisdiction, which dissent rights entitle dissenting shareholders to receive payment of fair value for their shares from the company, provided they comply with the strict requirements set out under the OBCA.</p> <p>The court has broad powers to direct the conduct of any such legal proceeding.</p>

Requirement	Australia	Canada
Amendments to constituent documents	Any amendment to a company's constitution must be approved by special resolution.	Unless otherwise specified in the OBCA or the articles, amendments to a company's articles must be approved by a special resolution.
Takeovers		
Takeover bids	<p>The Corporations Act places restrictions on a person acquiring interests in the voting shares of a company where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. This prohibition is subject to a number of exceptions including the acquisition of not more than 3% of the voting shares in the company in the six month period before the acquisition, the acquisition is made with shareholder approval or the acquisition is made under a takeover bid made in accordance with Australian law. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.</p> <p>Takeover bids must treat all securityholders alike, must not involve any collateral benefits and must remain open for a prescribed period, after which time all securities deposited under the offer may be taken up. The takeover bid rules contain various additional requirements, such as restrictions on conditional offers and withdrawal, amendment or suspension of offers.</p>	<p>In Canada, takeover bids are regulated primarily by securities legislation. An offer to acquire outstanding voting or equity securities of a class made to one or more persons, any of whom is in a Canadian jurisdiction or whose last address is shown on the books of the company is in Canada where the securities subject to the bid, together with the offeror's securities (and those held by joint actors), constitute in aggregate 20% or more of the outstanding securities of the company at the time of the offer are required to extend the offer to all securityholders who are in Canada. 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 (applicable to ownership of shares of a reporting issuer).</p> <p>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</p>

		<p>the offer may be taken up and the offer must be extended for a further 10 days.</p> <p>For the protection of target shareholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers, and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids (however, issuer bids must remain open for a minimum of 35 days).</p> <p>There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted.</p> <p>The OBCA contains compulsory acquisition provisions, which allow a person who acquired at least 90% of a company's shares to acquire the remaining shares, within 120 days after the date of a takeover bid, if the bid was accepted by holders of not less than 90% of the company's shares.</p> <p>Aside from the compulsory acquisition provisions of the OBCA, second step transactions following a bid, which allow the acquirer to bring its percentage ownership to 100%, are governed by Multilateral Instrument 61-101 of the Canadian Securities Regulators. No shareholder approval for a second step transaction of the acquisition would be required if the acquirer obtained 90% of the</p>
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Requirement	Australia	Canada
		<p>outstanding securities owned by minority shareholders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.</p> <p>Under Canadian securities laws certain exemptions to the formal bid requirements, on specified conditions, are allowed. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period of there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition. A take-over bid is also exempt from Canadian securities laws if, among other things, less than 10% of the issued shares are held by shareholders in Canada and the principal trading market for the shares is outside of Canada.</p>
Takeover bid defences	<p>Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.</p>	<p>In Canada, defensive tactics may be taken by a board of directors in a genuine attempt to obtain a better bid. However, the Canadian securities regulatory authorities have recognised the possibility that the interests of management of the target company will differ from those of its shareholders. The securities regulators may take action in certain cases where target company</p>

Requirement	Australia	Canada
		<p>defensive tactics may be abusive of shareholder rights, deny shareholders the ability to make a fully formed decision or frustrate an open takeover bid process.</p> <p>Defensive tactics that may come under scrutiny during or immediately before a bid (if there is reason to believe that a bid might be imminent) include granting an option on securities representing a significant percentage of the target company's outstanding securities, including introduction of a shareholders' rights plan, a sale, acquisition, optioning, or agreement to sell or acquire material assets or other corporate action other than in the normal course of business. Shareholder approval of defensive tactics may be a factor in the regulatory authorities' decision as to whether the tactics are appropriate.</p>
Other		
Disclosure of substantial holdings	<p>Under the Corporations Act, a shareholder who begins or ceases to have a substantial holding in a listed company, or who has a substantial holding in a listed company and there is a movement by at least 1% in their holding, must give a notice to the company and ASX.</p> <p>A person has a substantial holding if that person and that person's associates have a Relevant Interest in 5% or more of the voting shares in the company.</p>	See discussion of "early warning rules" above.
Winding up	<p>A company can be wound up voluntarily by the shareholders. The directors must give a statutory declaration of solvency for such winding up. This procedure is therefore instigated by a solvent company. A shareholders' voluntary winding up is started by the shareholders passing a special resolution.</p> <p>If the directors do not give a statutory declaration of solvency, a creditors' voluntary winding up can commence by the shareholders</p>	Under the OBCA, the shareholders of a company may, by special resolution, require the corporation to be wound up voluntarily. On application by the company, a shareholder, director or any other person whom the court considers to be appropriate, including a creditor of a company, the court may order that the company be liquidated and dissolved if the

Requirement	Australia	Canada
	<p>passing a special resolution. This procedure is therefore instigated by an insolvent company.</p> <p>Any surplus after payment of debts and interest will go to the shareholders according to the rights attached to their shares. As with unsecured creditors, they would be paid out of free assets or any funds available from charged assets following payment of all prior claims (i.e. fixed charge holders, preferential creditors and holders of circulating security interests).</p>	<p>court considers it just and equitable.</p> <p>Liquidation of the company may also take place completely outside the framework of the OBCA, such as under the <i>Bankruptcy and Insolvency Act</i> (Canada) or the <i>Companies' Creditors Arrangement Act</i> (Canada). Finally, a company may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.</p>

8.5 Consequences of being a foreign registered company

As noted above, the New BLY Parent will be registered as a foreign company in Australia pursuant to Part 5B.2 of the Corporations Act. Accordingly, in addition to the laws and regulations set out elsewhere in this Section, New BLY Parent will also be subject to the provisions of Part 5B.2 of the Corporations Act.

9. AUSTRALIAN TAXATION IMPLICATIONS FOR SHAREHOLDERS

9.1 Australian Taxation Implications

This section provides a summary of the material Australian income tax implications for certain eligible Shareholders who dispose of their Shares and acquire New BLY Parent CDIs under the Re-domiciliation Scheme. This information only relates to Shareholders who hold their Shares and New BLY Parent CDIs on capital account for Australian income tax purposes. This summary does not consider the income tax implications of the Re-Domiciliation Scheme under any non-Australian tax laws.

This general summary does not apply to Shareholders who:

- hold their Shares or New BLY Parent CDIs as revenue assets or trading stock, such as banks, insurance companies and taxpayers carrying on a business of share trading;
- have acquired their Shares or New BLY Parent CDIs for the purposes of resale at a profit;
- are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in respect of their Shares or New BLY Parent CDIs;
- 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
- acquired their Shares under an arrangement that constitutes an 'employee share scheme' for Australian income tax purposes.

Shareholders in any of the aforementioned categories should consult their professional advisors on the tax implications of the Re-domiciliation Scheme.

BLY is not seeking a class ruling from the ATO on behalf of Shareholders in relation to the Re-domiciliation Scheme and it is therefore possible that the ATO will disagree with the summary set out below.

The information in this section is general in nature and does not take into account the individual circumstances of all Shareholders; it is not intended to be, nor should it be, construed as legal or tax advice to any particular Shareholder. Shareholders should consult their professional advisors on the tax implications of the Scheme for their individual circumstances. 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 Re-domiciliation Scheme.

9.2 Disposal Of Shares for CDIs In New BLY Parent

The Australian income tax implications of the Re-domiciliation Scheme will differ between Shareholders who are and are not a resident of Australia for tax purposes.

9.3 Resident Shareholders

(a) CGT Event

The disposal of Shares by a resident Shareholder will give rise to a CGT event. This CGT event will occur at the time that the shares are disposed of for CGT purposes, which should be the Re-domiciliation Scheme Implementation Date.

Subject to the comments below concerning CGT rollover relief, a resident Shareholder will realise either a capital gain or a capital loss from the disposal of their Shares. A capital gain will arise where the capital proceeds exceed the cost base of the Shares, and a capital loss will arise where the capital proceeds are less than the reduced cost base for the Shares.

Each Share constitutes a separate asset for CGT purposes. Resident Shareholders will need to separately consider the consequences of the disposal of their Shares which were acquired in different parcels at different times.

The capital proceeds received by the resident Shareholder will generally be equal to the market value (as at the Re-domiciliation Scheme Implementation Date) of the New BLY Parent CDIs received by the resident Shareholder in respect of the disposal of their Shares.

The cost base (or reduced cost base) of the Shares should generally include the amount paid by the resident Shareholder to acquire the Shares, as well as certain non-deductible incidental costs of acquisition and disposal.

Where your Shares were subject to the Share Consolidation, each element of the cost base and reduced cost base of the consolidated 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 Share you held.

If a resident Shareholder is not a company and acquired (for CGT purposes) its Shares at or before 11:45am (ACT time) on 21 September 1999, it 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 a resident Shareholder acquired its Shares after 11:45 am (ACT time) on 21 September 1999, it cannot index its cost base. However, it may apply the CGT discount (unless it is a company) in calculating any capital gain on disposal.

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 by the resident Shareholder on or before the day it lodges its income tax return for the income year in which the disposal occurs. The manner in which it completes its income tax return is generally sufficient evidence of the making of a choice.

The application of the CGT discount is discussed below.

(b) CGT rollover relief

A resident Shareholder may be able to choose CGT rollover relief on the disposal of their Shares under the Re-domiciliation Scheme.

If a CGT rollover applies, and is chosen by a resident Shareholder, the CGT consequences of the disposal of their Shares will differ significantly from the summary set out in this Section 9. For example, and depending on which particular CGT rollover (if any) is available, a resident Shareholder may be able to choose to disregard the capital gain or the capital

loss from the disposal of the Shares. In addition, if a CGT rollover applies, it will affect the CGT cost base and reduced cost base, and the CGT acquisition date, of the New BLY Parent CDIs.

As mentioned above, BLY is not seeking a class ruling from the ATO in relation to, amongst other things, the availability of CGT rollover relief in connection with the Re-domiciliation Scheme. In addition, BLY has made no determination that CGT rollover relief is or is not potentially available to Shareholders. In order for CGT rollover relief to apply, a number of conditions must be satisfied, and it may be necessary (depending on the rollover, if any, and the circumstances) for BLY to make certain elections or choices, and for electing Shareholders to provide certain information to BLY.

In general, CGT rollover relief should be of significance for Shareholders that would otherwise make a capital gain on the disposal of their Shares. Shareholders that make a capital loss would not generally be expected to choose to obtain rollover relief, even if they are eligible to do so.

Shareholders who would like to claim CGT rollover relief should consult with their own professional adviser as to whether CGT rollover is available, or potentially available, to the Re-domiciliation Scheme. If a Shareholder considers that CGT rollover relief is potentially applicable, they should contact BLY.

The remainder of this summary assumes that CGT rollover relief is not available to a resident Shareholder on the disposal of their Shares under the Re-domiciliation Scheme.

(c) Where a Capital Gain or Loss is Realised

Pre-CGT Shares

If your 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.

Capital gain

A resident Shareholder is generally required to include their net capital gain for an income year in their 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.

Capital loss

Where a resident Shareholder realises a capital loss from the disposal of their Shares, they may use this to offset any taxable capital gains from the same or subsequent income years (subject to any applicable loss utilisation rules). This could include offsetting the capital loss against taxable capital gains that they realise from a subsequent disposal of their New BLY Parent CDIs. Capital losses cannot be carried back to offset capital gains arising in earlier income years.

Discount CGT Treatment

If the resident Shareholder realises a capital gain from the disposal of their Shares, and held them for at least 12 months at the time of disposal (or is taken to have

held them for at least 12 months for CGT discount purposes), discount CGT treatment may apply, as follows:

- if the resident Shareholder is an individual, one half of the capital gain (without any allowance for indexation in the cost base of the shares), after offsetting any applicable capital losses, will be included in assessable income;
- if the resident Shareholder is acting as a trustee of a trust (but not a complying superannuation fund), one half of the capital gain (without any allowance for indexation in the cost base of the shares), after offsetting any applicable capital losses, will be included in the "net income" of the trust. The discount capital gains provisions may also apply to capital gains to which beneficiaries in the trust (other than beneficiaries that are companies) are entitled. The CGT provisions applying to trustees and beneficiaries of trusts are complex and trustee Shareholders and beneficiaries should seek advice from a professional tax adviser in this regard;
- if the resident Shareholder is a complying superannuation fund, two-thirds of the capital gain (without any allowance for indexation in the cost base of the shares) after offsetting applicable capital losses will be included in the fund's assessable income; and
- if the resident Shareholder is a company, no discount will apply, resulting in all of the capital gain after offsetting applicable capital losses being included in the company's assessable income.

As noted above, where the resident Shareholder is entitled to discount CGT treatment, any capital losses will be applied to reduce the capital gain before determining the discount.

For the purposes of determining the CGT acquisition date of Shares that were subject to the Share Consolidation for CGT discount purposes, the consolidated Shares should have the same CGT date of acquisition as the original Shares to which they relate.

(d) New BLY Parent CDIs

Cost base and acquisition date of New BLY Parent CDIs

The first element of the cost base (or reduced cost base) of the New BLY Parent CDIs should equal the market value of the Shares that were disposed of to acquire them, as at the Re-domiciliation Scheme Implementation Date.

The acquisition date of the New BLY Parent CDIs for CGT discount purposes should be the Re-domiciliation Scheme Implementation Date.

Subsequent Disposals of the BLY CDIs

Where a resident Shareholder subsequently disposes of their New BLY Parent CDIs, this may give rise to a capital gain or loss.

Provided the resident Shareholder holds the New BLY Parent CDIs for 12 months from the acquisition date of the New BLY Parent CDIs (and subject to certain specific integrity rules applying to the 12 month period), discount CGT treatment may be available for any capital gain made (please see above for an outline of the discounts that may be available).

Taxation of dividends received on the New BLY Parent CDIs

Where a resident Shareholder receives a dividend on the New BLY Parent CDIs, they will generally have to include the gross amount received in their assessable income for the relevant year. Franking credits will not be available in respect of these dividends.

Where foreign withholding tax is paid on dividends included in a Shareholder's assessable income, the resident Shareholder may be able to obtain a non-refundable tax offset and use it to reduce their tax liabilities in the relevant year (subject to certain conditions and limitations).

Dividends received by certain companies that hold a "participation interest" of 10% or more in New BLY Parent may be non-assessable non-exempt income for the recipient. Companies in this situation should consult their own professional adviser on the Australian tax treatment of dividends received from New BLY Parent.

9.4 Non-Resident Shareholders

(a) CGT Event

Non-resident Shareholders may be able to disregard any capital gain or loss arising from the disposal of the Shares.

Non-residents will only make a capital gain or loss on the disposal of "taxable Australian property". Shares in an Australian company that are disposed of by a non-resident will only be "taxable Australian property" where they are (x) held at any time in connection with the conduct of a business through a permanent establishment in Australia, (y) are held by a non-resident Shareholder than elected to treat the Shares as taxable Australian property when they ceased to be an Australian resident or (z) an "indirect Australian real property interest".

A non-resident Shareholder will hold an "indirect Australian real property interest" if they, together with their associates, own at least 10% of the shares in BLY (either at the time of transfer, or for a 12 month period within the last 24 months), and the market value of BLY's Australian real property assets (e.g. land) exceeds the market value of its non-real property assets.

BLY considers that the market value of BLY's Australian real property assets does not exceed the market value of its non-real property assets.

(b) Holding and disposing of New BLY Parent CDIs

Where a non-resident Shareholder receives a dividend from New BLY Parent in respect of the CDIs, they generally will not have to include the gross amount received within their Australian assessable income for the relevant year nor should such dividends be subject to Australian dividend withholding tax.

Additionally, where a non-resident Shareholder elects to dispose of the New BLY Parent CDIs, this will generally not give rise to a taxable CGT event provided that the New BLY Parent CDIs are not "taxable Australian property", as described above.

10. CANADIAN TAXATION IMPLICATIONS FOR SHAREHOLDERS

10.1 Income tax implications

The following summary describes the principal Canadian federal income tax considerations in respect of the exchange of BLY Shares and the acquisition and holding of New BLY Parent Shares received pursuant to the Re-domiciliation Scheme. For greater certainty, any reference to BLY 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 BLY Shares who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the **ITA**): (a) deals at arm's length with BLY and New BLY Parent; (b) is not affiliated with BLY or New BLY Parent; and (c) holds the BLY Shares, and will hold any New BLY Parent Shares received under the Re-domiciliation Scheme, as capital property (a **Holder**).

Generally, the BLY Shares and New BLY Parent Shares will be capital property to a Holder provided the 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 BLY's 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 by BLY 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:

- (b) is a "specified financial institution",
- (c) an interest in which is a "tax shelter investment",
- (d) is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution",
- (e) reports its "Canadian tax results" in a currency other than Canadian currency,
- (f) 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),
- (g) is or was an employee of BLY or New BLY Parent and who acquired BLY 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,
- (h) that is an Ineligible Foreign Shareholder, or
- (i) 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 Re-domiciliation Scheme.

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.

10.2 **Holders resident in Canada**

This portion of the summary only applies to a Shareholder who, at all relevant times, for purposes of the ITA and any applicable income tax convention, is, or is deemed to be, resident in Canada (a **Resident Holder**). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the ITA, the effect of which is to deem any New BLY Parent Shares (and any other "Canadian security", as defined in the ITA) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years to be capital property. Resident Holders whose shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

(a) Participation in the Re-domiciliation Scheme

On the exchange of BLY Shares for New BLY Parent Shares under the Re-domiciliation Scheme, the Resident Holder will realise a capital gain (or capital loss) to the extent that the fair market value of the New BLY Parent Shares at the time of the exchange, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of the BLY Shares to the Resident Holder. See "Taxation of Capital Gains and Capital Losses" below for a general discussion of the treatment of capital gains and capital losses under the ITA.

New BLY Parent does not intend to offer Resident Holders the opportunity to file a joint tax election with New BLY Parent to defer realising a capital gain (if any) for the purposes of the ITA as a result of the Re-domiciliation Scheme.

(b) Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "taxable capital gain") realised by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "allowable capital loss") realised by a Resident Holder in a taxation year must be deducted from taxable capital gains realised by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realised in such years, to the extent and under the circumstances described in the ITA.

A Resident Holder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the ITA), including taxable capital gains.

Capital gains realised by a Resident Holder who is an individual (and certain types of trusts) may result in such Resident Holder being liable for alternative minimum tax under the ITA. Resident Holders who are individuals should consult their own tax advisors in this regard.

(c) Consequences of Resident Holders owning New BLY Parent Shares

Dividends received or deemed to be received on New BLY Parent Shares held by a Resident Holder will be included in the Resident Holder's income for the purposes of the ITA.

Such dividends received by a Resident Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the ITA that apply to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by New BLY Parent as "eligible dividends". There may be limitations on New BLY Parent's ability to designate dividends as "eligible dividends".

Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the ITA. Resident Holders who are individuals should consult their own tax advisors in this regard.

In the case of a Resident Holder that is a corporation, the amount of any taxable dividend will be included in computing its income and generally will be deductible in computing the Resident Holder's taxable income. A Resident Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the ITA) or any other corporation resident in Canada controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable under Part IV of the ITA to pay a refundable tax on dividends received or deemed to be received on the New BLY Parent Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the ITA will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

(d) Consequences of Resident Holders disposing of New BLY Parent Shares

A disposition or a deemed disposition of a New BLY Parent Share by a Resident Holder will generally result in the Resident Holder realising a capital gain (or capital loss) in the year of the disposition equal to the amount by which the proceeds of disposition of the New BLY Parent Share exceed (or is less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The adjusted cost base of a New BLY Parent Share to a Resident Holder generally will be the average of the cost of all New BLY Parent Shares held at the particular time by such Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the tax treatment described above under "Taxation of Capital Gains and Capital Losses".

The amount of any capital loss realised by a Resident Holder that is a corporation on the disposition of New BLY Parent Shares may be reduced by the amount of dividends received or deemed to be received by the Resident Holder on such shares (or on shares for which the shares have been substituted) to the extent and under the circumstances described by the ITA. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns New BLY Parent Shares, directly or indirectly, through a partnership or a trust.

10.3 Holders not resident in Canada

This portion of the summary only applies to a BLY Shareholder who, at all relevant times, 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 and who does not use or hold,

and is not deemed to use or hold, BLY Shares in connection with carrying on a business in Canada (a **Non-Resident Holder**).

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.

(a) Consequences of Participation in the Re-domiciliation 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 BLY Shares for New BLY Parent Shares under the Re-domiciliation Scheme, nor will capital losses arising therefrom be reported under the ITA, unless the BLY 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.

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

- (i) more than 50% of the fair market value of the BLY Shares was derived directly or indirectly from one or any combination of:
 - (A) real or immovable property situated in Canada;
 - (B) "Canadian resource properties" (as defined in the ITA);
 - (C) "timber resource properties" (as defined in the ITA); or
 - (D) an option, an interest or right in such property, whether or not such property exists; and
- (ii) if the BLY 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 BLY Shares

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

If the BLY Shares constitute "taxable Canadian property" to a Non-Resident Holder, the tax consequences of a disposition thereof will generally be as described above under the heading "Holders Resident in Canada – Taxation of Capital Gains and Capital Losses". Furthermore, 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 BLY Shares that may constitute taxable Canadian property should consult its own tax advisor prior to the Re-domiciliation.

(b) 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%.

(c) 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:

- (i) 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:
 - (A) real or immovable property situated in Canada;
 - (B) "Canadian resource properties" (as defined in the ITA);
 - (C) "timber resource properties" (as defined in the ITA); or
 - (D) an option, an interest or right in such property, whether or not such property exists; and
- (ii) if the New BLY Parent 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 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, the tax consequences of a disposition thereof will generally be as described above under the heading "Holders Resident in Canada – Taxation of Capital Gains and Capital Losses". Furthermore, 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.

11. ADDITIONAL INFORMATION

11.1 Directors' interests in BLY securities

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 Memorandum are:

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

Each Director intends to vote any Shares held or controlled by him or her in favour of the Re-domiciliation Scheme Resolution.

No Director has acquired or disposed of a Relevant Interest in any Shares or other BLY securities in the four month period ending on the date of this Explanatory Memorandum.

11.2 Payments and other benefits

(a) Appointment of directors to the New BLY Parent Board

Each of the existing Directors will initially be appointed as a New BLY Parent Director on implementation of the Re-domiciliation and the Nominee Directors will

subsequently be appointed as New BLY Parent Directors. Each New BLY Parent Director will be entitled to receive remuneration for their services and will be entitled to enter into an Indemnification Agreement as described in Section 11.4(e).

- (b) Agreements with current Directors and Nominee Directors conditional on, or connected to, the Re-domiciliation Scheme

Other than as set out below or elsewhere in this Explanatory Memorandum, there are no agreements or arrangements made between any existing Directors or Nominee Directors and any other person in connection, or conditional upon, the outcome of the Re-domiciliation Scheme (other than in their capacity as a Shareholder).

- (c) Payments or other benefits to Directors, secretaries and executive officers

Other than as set out below or elsewhere in this Explanatory Memorandum, no payment or other benefit is proposed to be made or given to any Director, secretary or executive officer of BLY, or any related body corporate of BLY as compensation for the loss of, or as consideration for or in connection with his or her retirement from office as a Director, secretary or executive officer of BLY or a related body corporate of BLY as a result of the Re-domiciliation Scheme.

Other than as set out above or elsewhere in this Explanatory Memorandum, neither the Re-domiciliation Independent Expert, nor any director or proposed director of New BLY Parent, and no entity in which a director or proposed director of New BLY Parent is or was a member or partner in the last two years, holds, or held at any time during the last two years before the date of lodgement of this Explanatory Memorandum for registration by ASIC, any interest in:

- the formation or promotion of New BLY Parent;
- any property acquired or proposed to be acquired by New BLY Parent in connection with its formation or promotion or the Re-domiciliation,

and no amounts (whether in cash or securities or otherwise) have been paid or agreed to be paid, and no one has given or agreed to give a benefit, to any director or proposed director of New BLY Parent either to induce them to become, or to qualify them as, a director of New BLY Parent, or otherwise for services rendered by them in connection with the formation or promotion of New BLY Parent or the Re-domiciliation.

11.3 **Transactions in relation to New BLY Parent securities**

No securities of New BLY Parent (including New BLY Parent Shares) have been sold in the three months immediately before the date of this Explanatory Memorandum.

11.4 **Transaction documents**

- (a) Restructuring Implementation Deed

The Restructuring Implementation Deed contemplates that BLY and New BLY Parent, among others, will be executing the Restructuring Implementation Deed. The purpose of the Restructuring Implementation Deed is to give effect to the RSA Transactions.

(b) Re-domiciliation Scheme

A summary of the Re-domiciliation Scheme is set out in section 3 of this Explanatory Memorandum. A copy of the Re-domiciliation Scheme is included in Appendix B to this Explanatory Memorandum.

(c) Re-domiciliation Scheme Deed Poll

BLY will procure that New BLY Parent will execute the Re-domiciliation Scheme Deed Poll in favour of Scheme Shareholders under which it will agree, subject to the Re-domiciliation Scheme becoming Effective, to acquire the Shares held by Scheme Shareholders and perform all obligations attributable to it under the Re-domiciliation Scheme.

A copy of the Re-domiciliation Scheme Deed Poll is included at Appendix C to this Explanatory Memorandum.

(d) Assumption Deed Poll

BLY will procure that New BLY Parent executes the Assumption Deed Poll in favour of the holders of the New Warrants, Class A 7% Warrant Holders, Class B 7% Warrant Holders, Ordinary Warrant Holders, each Option Holder and the Participants pursuant to which it will assume the obligations of BLY under the New Warrants, the Existing Warrants, the BLY Options and the Long Term Incentive Plan, subject to the Re-domiciliation Scheme becoming Effective.

A copy of the Assumption Deed Poll is included at Appendix D to this Explanatory Memorandum.

(e) Indemnification Agreements

New BLY Parent intends to indemnify each existing Director appointed to the New BLY Parent Board as well as the New BLY Parent Director against liabilities incurred by such director in carrying out their duties as a director pursuant to Indemnification Agreements. Each of the Indemnification Agreements are expected to include an obligation of New BLY Parent to, amongst other things, indemnify each director of New BLY Parent from and against all costs, charges and expenses reasonably incurred by the director in respect of civil, criminal, administrative, investigative or other proceeding in which the director is or may be involved by reason of being or having been a director of, or holding or having held a position equivalent to that of a director of New BLY Parent, provided that:

- (i) the director acted honestly and in good faith with a view to the best interests of New BLY Parent; and
- (ii) in the case of a proceeding that is criminal or administrative action or proceeding that is enforced by a monetary policy, the director had reasonable grounds for believing his or her conduct was lawful.

11.5 Effect of Scheme on creditors

New BLY Parent intends for its business to consist entirely of the business of BLY, as detailed in Section 7.6(c). Therefore, the Re-domiciliation will not have an adverse impact on the interests of BLY's creditors, and no material liability will be incurred by BLY under or by reason of the Re-domiciliation, other than the costs of implementing the Re-domiciliation Scheme. BLY has paid and is paying all of its trade creditors within normal terms of trade.

11.6 Consents and disclaimers

(a) Consents to be named

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

- be named in this Explanatory Memorandum in the form and context which they are named;
- the inclusion of their respective reports or 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 Memorandum; and
- the inclusion of other statements in this Explanatory Memorandum 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	Reports/statements
Ashurst Australia	Australian legal advisers to BLY	N/A
Fasken	Canadian legal advisers to BLY	N/A
KPMG	Re-domiciliation Independent Expert	Re-domiciliation Independent Expert's Report; Covering page; Chairman's letter' Section 2.4; Section 3.9; Section 4.2; and Section 11.2(c)
FTI Consulting	Independent Expert in respect of the Creditors' Schemes and Scheme Administrators	N/A
Link Market Services Limited	Registry	N/A

Each of the above persons:

- has not authorised or caused the issue of this Explanatory Memorandum;
- does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in this Explanatory Memorandum is based, other than those statements referred to above and as consented to by that person; and
- 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 Memorandum other than a reference to its

name and the statement or report (if any) that has been included in this Explanatory Memorandum with the consent of that person as set out above.

11.7 ASIC and ASX waivers, confirmations and approvals

(a) ASIC relief

In accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80, the New BLY Parent CDIs issued pursuant to the Re-domiciliation Scheme will be freely tradeable.

BLY has also applied to ASIC for a declaration under subsection 741(1)(b) of the Corporations Act modifying sections 708A(12A) and 708A(5) of the Corporations Act such that, in the 12 months following the Re-domiciliation Scheme Implementation Date, the continuous quotation of Shares may be included in the calculation of the 3 month period for the purposes of sections 708A(12A) and 708A(5) of the Corporations Act.

BLY has also applied to ASIC for a declaration under subsection 741(1)(b) modifying the definition of "continuously quoted securities" for the purposes of Chapter 6D of the Corporations Act such that, in the 12 months following the Re-domiciliation Scheme Implementation Date, the continuous quotation of Shares may be included in the calculation of the 3 month period for the purposes of section 713(1) of the Corporations Act.

(b) ASX waivers and confirmations

ASX has also indicated that it will grant BLY and New BLY Parent the following confirmations and waivers:

- (i) **(information memorandum)** a confirmation that New BLY Parent may use as an information memorandum (such as this Explanatory Memorandum) that complies with the requirements of ASX Listing Rule 1.4 (except as waived) for the purposes of its application to list on ASX and ASX will not require New BLY Parent to lodge a prospectus or PDS with ASX under Listing Rule 1.1 condition 3, on condition that the information memorandum incorporates the explanatory statement for the Re-domiciliation Scheme;
- (ii) **(Appendix 1A Information Form and Checklist)** a confirmation that New BLY Parent will not be required to comply with the following paragraphs of the Appendix 1A Information Form and Checklist (**Listing Checklist**):
 - (A) paragraphs 22 and 23 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include:
 - (aa) a diagram identifying each material child entity and the nature and location of the business activities it undertakes; or
 - (bb) a list of all material child entities identifying each such entity's name, its place of incorporation or registration, the nature of its business and BLY's percentage holding in it;
 - (B) paragraph 28 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include details of the material terms of any securities other than Shares on issue, proposed to be issued before New BLY's Parent's admission to the official list of ASX or proposed to be issued following New BLY Parent's admission to the official list of ASX in accordance with material contracts;

- (C) paragraph 29 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include a statement that New BLY Parent's free float at the time of admission to the official list of ASX will be not less than 20%, subject to ASX granting a waiver from Listing Rule 1.1 condition 8;
- (D) paragraph 34 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include a description of the history of New BLY Parent (provided ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time New BLY Parent applies for admission to the official list of ASX);
- (E) paragraph 35 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include a description of New BLY Parent's existing and proposed activities and level of operations (provided ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time New BLY Parent applies for admission to the official list of ASX);
- (F) paragraph 36 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include a description of the material business risks faced by New BLY Parent (provided ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time New BLY Parent applies for admission to the official list of ASX);
- (G) paragraph 42 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include:
 - (aa) the material terms of employee incentive schemes; or
 - (bb) a statement as to whether directors are entitled to participate in the employee incentive scheme and, if they are, the extent to which they currently participate or are proposed to participate;
- (H) paragraph 43 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include details of the existence and main terms of any material contracts, and the provision to ASX of copies of any material contracts (provided ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time New BLY Parent applies for admission to the official list of ASX);
- (I) paragraphs 44 and 45 of the Listing Checklist, to the extent necessary to permit the Explanatory Memorandum not to include a summary of the material terms of, or a copy of, any employment, service or consultancy agreement, and a summary of any other material contract, which New BLY Parent or any of its child entities has entered into with:
 - (aa) its Chief Executive Officer or proposed Chief Executive Officer;
 - (bb) any of its directors or proposed directors; or
 - (cc) any other person or entity who is a related party of the persons referred to in (aa) or (bb) above,

provided that ASX is satisfied that such information has been released by BLY under Listing Rule 3.1;

- (J) paragraph 46 of the Listing Checklist, to the extent necessary to permit New BLY Parent not to provide a confirmation that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with the Listing Checklist, on condition that BLY complies with Listing Rule 3.1 up until it is removed from the official list of ASX (provided ASX is satisfied that BLY is in compliance with Listing Rule 3.1 at the time New BLY Parent applies for admission to the official list of ASX);
 - (K) paragraph 47 of the Listing Checklist, to the extent necessary to permit New BLY Parent not to provide a copy of New BLY Parent's most recent annual report; and
 - (L) paragraphs 51 to 68 (inclusive) of the Listing Checklist, to the extent necessary to permit New BLY Parent not to provide the information in connection with Listing Rules 1.2 and 1.3, provided ASX grants a waiver from Listing Rule 1.1 condition 9;
- (iii) **(minimum spread test)** a waiver from Listing Rule 1.1 condition 8 to the extent necessary to permit New BLY Parent not to comply with that Listing Rule on the condition that BLY satisfies Listing Rule 12.4 at the time New BLY Parent is admitted to the official list of ASX;
 - (iv) **(asset or profit test)** a waiver from Listing Rule 1.1 condition 9 to the extent necessary to permit New BLY Parent not to comply with Listing Rules 1.2 and 1.3 on the condition that BLY satisfies Listing Rules 12.1 and 12.2 at the time New BLY Parent is admitted to the official list of ASX;
 - (v) **(prospectus information)** a waiver from Listing Rule 1.4.1 to the extent necessary to permit the Explanatory Memorandum not to include a statement that it contains all information that would otherwise be required under section 710 of the Corporations Act, on condition that:
 - (A) this Explanatory Memorandum incorporates the explanatory statement for the Re-domiciliation Scheme;
 - (B) New BLY Parent releases to the market as pre-quotation disclosure all of the documents incorporated by reference into the Explanatory Memorandum; and
 - (C) BLY provides a statement to the market that it is in compliance with Listing Rule 3.1 at the time New BLY Parent is admitted to the official list of ASX;
 - (vi) **(date)** a waiver from Listing Rule 1.4.4 to the extent necessary to permit the Explanatory Memorandum to be dated at the date at which the Court convenes the Re-domiciliation Scheme Meeting;
 - (vii) **(capital raising)** a waiver from Listing Rule 1.4.7 to the extent necessary to permit the Explanatory Memorandum not to include a statement that New BLY Parent has not raised any capital for the 3 months prior to the date of issue of this Explanatory Memorandum, and will not need to raise any capital in the 3 months after that date;
 - (viii) **(supplementary information)** a waiver from Listing Rule 1.4.8 to the extent necessary to permit the Explanatory Memorandum not to include a statement that a supplementary information memorandum will be issued if, between the date of issue of this Explanatory Memorandum and the date on which New

BLY Parent Shares (represented by New BLY Parent CDIs) and Ordinary Warrants are quoted, New BLY Parent becomes aware of the matters referred to Listing Rule 1.4.8, on condition that BLY undertakes to ASX to release any such information to the ASX Announcements Platform (which undertaking is to take the form of a deed no later than the date of this Explanatory Memorandum being released);

- (ix) **(voting)** a waiver from Listing Rule 6.10.3 to the extent necessary to permit New BLY Parent to provide the method for determining whether a shareholder is entitled to vote at a shareholders meeting in accordance with the laws of Ontario;
- (x) **(proxies)** a waiver from Listing Rule 14.2.1 to the extent necessary to permit New BLY Parent not to provide the option in its proxy form for holders of New BLY Parent CDIs to vote against a resolution to elect a director or to appoint an auditor, on condition that:
 - (A) New BLY Parent complies with the laws of Ontario as to the content of the proxy forms applicable to resolutions for the election or re-election of directors and the appointment of auditors;
 - (B) the notice given by the Company to holders of New BLY Parent CDIs under ASX Settlement Operating Rule 13.8.9 makes it clear that the holders are only able to vote for the resolutions or abstain from voting, and the reasons why that is the case;
 - (C) the Company releases details of the waiver to the market as part of its pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs; and
 - (D) the waiver only applies for so long as the relevant laws of Ontario prevent New BLY Parent from permitting securityholders to vote against a resolution to elect a director and vote against a resolution to appoint an auditor;
- (xi) **(director nomination)** a confirmation for the purposes of Listing Rule 14.3 that New BLY Parent may accept nominations for the election of directors in accordance with the shareholder proposal provisions of section 99 of the *Business Corporations Act* (Ontario), on condition that:
 - (A) New BLY Parent releases the terms of the waiver to the market as pre-quotation disclosure; and
 - (B) the terms of the waiver are set out in the management proxy circular provided to all holders of New BLY Parent CDIs; and
- (xii) **(financial accounts)** a confirmation for the purposes of Listing Rule 19.11A that New BLY Parent may continue to prepare its accounts in USD in accordance with IFRS and New BLY Parent will not be required to provide a statement reconciling its accounts to Australian accounting standards or other international accounting standards or reconciling its audit standard to Australian or other international audit standards.

11.8 Privacy and personal information

BLY, New BLY Parent and their share registries may collect personal information, including from each other, in the process of implementing the Re-domiciliation Scheme and the Re-domiciliation and administering the holdings or securities arising from the Re-domiciliation.

The personal information may include the names, addresses, other contact details and details of the shareholdings of Shareholders, as well as the names of individuals appointed by Shareholders as proxies, corporate representatives or attorneys at the meetings.

Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Link Market Services Limited on 1800 781 633 (within Australia) or +61 1800 781 633 (outside Australia) on Business Days between 8.00am and 8.00pm (Sydney time) Monday to Friday in the first instance, if they wish to request access to that personal information.

The personal information is collected for the primary purpose of implementing the Re-domiciliation and administering the holding of securities arising from the Re-domiciliation. The personal information may be disclosed to Link Market Services Limited to the Authorised Nominee, to securities brokers, to print and mail service providers and to any other service providers and advisers engaged by BLY or their share registries for this purpose. The personal information of Ineligible Foreign Shareholders may also be disclosed to the Sale Agent for the purposes of operating the Sale Facility.

The main consequence of not collecting the personal information outlined above would be that BLY may be hindered in, or prevented from, conducting the Re-domiciliation Scheme Meeting and implementing the Re-domiciliation.

Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Re-domiciliation Scheme Meeting should inform such individual of the matters outlined above.

11.9 **Disclosure of interests**

Except as disclosed elsewhere in this Explanatory Memorandum, no:

- (a) New BLY Parent Director or proposed New BLY Parent Director;
- (b) person named in this Explanatory Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Explanatory Memorandum; or
- (c) promoter of New BLY Parent,

(together **Interested Persons**) holds, or held at any time during the 2 years before the date of this Explanatory Memorandum, any interests in:

- (d) the formation or promotion of New BLY Parent; or
- (e) property acquired or proposed to be acquired by New BLY Parent in connection with:
 - (i) its formation or promotion; or
 - (ii) the offer of New BLY Parent Shares under the Re-domiciliation Scheme; or
- (f) the offer of New BLY Parent Shares under the Re-domiciliation Scheme.

11.10 **Disclosure of fees and other benefits**

Except as disclosed in this Explanatory Memorandum, no one has paid or agreed to pay any fees, or provided or agreed to provide any benefit:

- (a) to a New BLY Parent Director or a proposed director of New BLY Parent to induce them to become or qualify as a director of New BLY Parent; or

- (b) to any Interested Person for services provided by that person in connection with:
- (i) the formation or promotion of New BLY Parent; or
 - (ii) the offer of New BLY Parent Shares under the Scheme.

All of the persons named in this Explanatory Memorandum as performing a function in a professional, advisory or other capacity in connection with the Re-domiciliation Scheme and the preparation or distribution of this Explanatory Memorandum will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The fees paid to the persons named in this Explanatory Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Explanatory Memorandum up to the date of this Explanatory Memorandum are:

- Ashurst Australia, approximately USD\$1,250,000 (excluding GST and disbursements);
- Fasken, approximately USD\$205,000 (excluding GST and disbursements);
- Re-domiciliation Scheme Independent Expert, approximately USD\$60,000 (excluding GST and disbursements);
- Tax adviser to BLY, approximately USD\$500,000 (excluding GST and disbursements); and
- Link Market Services, approximately USD\$100,000 (excluding GST and disbursements).

Each of them will be entitled to receive professional fees charged as agreed and in accordance with their normal basis of charging up until implementation of the Re-domiciliation.

11.11 **Collateral benefits**

Except as otherwise disclosed in this Explanatory Memorandum, in the four months before the date of this Explanatory Memorandum, neither New BLY Parent nor any of its associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an associate, to vote in favour of the Re-domiciliation Scheme or dispose of Shares which benefit is not offered to all Shareholders under the Re-domiciliation Scheme.

11.12 **Foreign selling restrictions**

The release, publication or distribution of this Explanatory Memorandum (electronically or otherwise) outside of Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of it should observe these restrictions. Any failure to comply with these restrictions may contravene applicable laws or regulations. BLY disclaims all liabilities to such persons.

This Explanatory Memorandum has been prepared in accordance with the laws and regulations of Australia and the information contained in this Explanatory Memorandum may not be the same as that which would have been disclosed if this Explanatory Memorandum had been prepared in accordance with the laws and regulations of any other country.

If you are a Shareholder who is a nominee, trustee or custodian, you are advised to seek independent advice as to how you should proceed.

This Explanatory Memorandum and the Re-domiciliation do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify this Explanatory Memorandum, the Re-domiciliation, the New BLY Parent Shares or the New BLY Parent CDIs, or otherwise permit a public offering of New BLY Parent CDIs, in any jurisdiction outside of Australia.

Ineligible Foreign Shareholders will not receive New BLY Parent CDIs under the Re-domiciliation and will instead receive net proceeds of the sale of the New BLY Parent CDIs they would otherwise have been entitled to pursuant to the Sale Facility. For details regarding Ineligible Foreign Shareholders refer to Sections 3.18(b) and 3.19 of this Explanatory Memorandum.

The New BLY Parent CDIs proposed to be issued pursuant to the Re-domiciliation Scheme 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 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. The New BLY Parent CDIs will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act. The approval of the Court or such other court of competent jurisdiction provides the basis for the New BLY Parent CDIs to be issued without registration under the U.S. Securities Act, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

No action has been taken to register or qualify the New BLY Parent CDIs or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to BLY, Shareholders whose addresses are shown in the BLY Share Register as at the date of this Explanatory Memorandum as being in the following jurisdictions will be entitled to receive the Explanatory Memorandum and have New BLY Parent CDIs issued subject to, and in accordance with the Re-domiciliation Scheme (subject to any qualifications set out below in respect of that jurisdiction):

- (a) Australia;
- (b) Bermuda;
- (c) Cayman Islands;
- (d) Hong Kong;
- (e) Ireland, where (i) Shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Shareholders is less than 150;
- (f) Italy, where (i) Shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Shareholders is less than 150;
- (g) Luxembourg, where (i) Shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Shareholders is less than 150;

- (h) Netherlands, where (i) Shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Shareholders is less than 150;
- (i) New Zealand;
- (j) Spain, where (i) Shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Shareholders is less than 150;
- (k) Switzerland;
- (l) United States of America;
- (m) Canada; and
- (n) 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 New BLY Parent CDIs to a BLY shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Shareholders who hold Shares on behalf of a beneficial owner resident outside Australia, Bermuda, Cayman Islands, Hong Kong, New Zealand and Switzerland may not forward this Explanatory Memorandum (or any accompanying document) to anyone outside these countries without the consent of BLY, except nominees and custodians may forward the Explanatory Memorandum to any beneficial shareholder in the European Union who is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

Notice to BLY Shareholders in Bermuda

No offer or invitation to subscribe for New BLY Parent CDIs 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 New BLY Parent CDIs.

Notice to BLY Shareholders in Cayman Islands

No offer or invitation to subscribe for New BLY Parent CDIs may be made to the public in the Cayman Islands or from within the Cayman Islands.

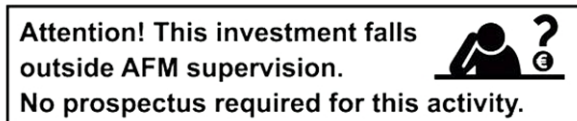
Notice to BLY Shareholders in the European Union

This Explanatory Memorandum is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). Therefore, the Explanatory Memorandum has not been, and will not be, registered with or approved by any securities regulator or supervisory authority in the European Union. Accordingly, this Explanatory Memorandum may not be made available, nor may the New BLY Parent CDIs be offered for sale or exchange, in the European Union except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New BLY Parent CDIs in each member state of the European Union is limited:

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

Investors in the Netherlands should note:



Notice to BLY Shareholders in Hong Kong

WARNING: The contents of this Explanatory Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Explanatory Memorandum, you should obtain independent professional advice.

This Explanatory Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Explanatory Memorandum also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Explanatory Memorandum in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Explanatory Memorandum or any advertisement, invitation or document relating to the New BLY Parent CDIs, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Explanatory Memorandum may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Explanatory Memorandum, or any offer or an invitation in respect of the New BLY Parent CDIs, to the public in Hong Kong. The document is for the exclusive use of BLY shareholders in connection with the Scheme, and no steps have been taken to register or seek authorisation for the issue of this Explanatory Memorandum in Hong Kong.

This Explanatory Memorandum is confidential to the person to whom it is addressed and no person to whom a copy of this Explanatory Memorandum is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Explanatory Memorandum to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Scheme by the person to whom this Explanatory Memorandum is addressed.

Notice to BLY Shareholders in New Zealand

This Explanatory Memorandum is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of New BLY Parent CDIs under the Scheme is being made to existing shareholders of BLY in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Explanatory Memorandum may not contain all the information that a disclosure document is required to contain under New Zealand law.

Notice to BLY Shareholders in Switzerland

The New BLY Parent CDIs 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 Memorandum nor any other offering material relating to the New BLY Parent CDIs 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 Memorandum nor any other offering material relating to the New BLY Parent CDIs may be publicly distributed or otherwise made publicly available in Switzerland.

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

This Explanatory Memorandum may be distributed in Switzerland only to existing shareholders of BLY and is not for general circulation in Switzerland.

US Notice

The New BLY Parent CDIs proposed to be issued pursuant to the Re-domiciliation Scheme 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 in the United States 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.

The New BLY Parent CDIs 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 Re-domiciliation Scheme's terms and conditions to the Shareholders, which all of the Shareholders are entitled to attend in person or through representatives to oppose the sanctioning of the Re-domiciliation Scheme by the Court, and with respect to which notification will be given to all of the Shareholders. For the purpose of qualifying for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10), New BLY Parent intends to rely on the Court's hearing to sanction the Re-domiciliation Scheme.

Following consummation of the Re-domiciliation, any person who is an Affiliate of New BLY Parent at the time of or within 90 days prior to any resale of the New BLY Parent CDIs will be subject to certain U.S. transfer restrictions relating to such securities. Such New BLY Parent CDIs may not be sold without registration under the U.S. Securities Act, except pursuant to any available exemptions 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 under the U.S. Securities Act). Persons who may be deemed to be Affiliates of New BLY Parent include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with New BLY Parent and may include certain officers and directors of New BLY Parent and the principal shareholders of New BLY Parent. Ordinary shareholders who own less than 10% will likely not be determined to be Affiliates. Shareholders will be required to make their own determination of their Affiliate status and should consult their own legal advisers prior to any sale of New BLY Parent CDIs following consummation of the Re-domiciliation.

Notice to BLY Shareholders in Canada

New BLY Parent is not currently a reporting issuer in Canada and there is no assurance that it will ever become a reporting issuer. No prospectus has been filed in a jurisdiction in Canada. No Canadian securities regulatory authority has approved or reviewed this Explanatory Memorandum, the issuance of the New BLY Parent Shares of New BLY Parent CDIs or any of the transactions described in this Explanatory Memorandum. Securities of New BLY Parent will not be listed on any Canadian stock exchange. Securities of New BLY Parent may be subject to restrictions on transfer or hold periods in Canada.

11.13 Financial information

The financial information contained in this Explanatory Memorandum has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board, except where otherwise stated.

BLY uses certain performance measures that are not statutory financial measures such as EBIT and EBITDA as it better reflects what BLY considers to be the underlying performance of BLY. These measures are collectively referred to as "non-IFRS financial information" under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information', published by ASIC. Such measures do not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or ratio included in this Explanatory Memorandum.

New BLY Parent intends to continue to apply these financial measures after the Re-domiciliation.

The financial information contained in this Explanatory Memorandum is historical only. Shareholders should note that past financial performance is not necessarily a guide to future financial performance.

All references to years are references to BLY 's financial years ended 31 December, unless otherwise indicated.

11.14 Certain ongoing litigation

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

11.15 **Other material information**

Except as set out in this Explanatory Memorandum, there is no other information material to the making of a decision in relation to the Re-domiciliation, being information that is within the knowledge of any Director, which has not been previously disclosed to Shareholders.

11.16 **Supplementary disclosure**

BLY will issue a supplementary document to this Explanatory Memorandum if it becomes aware of any of the following between the date of lodgement of this Explanatory Memorandum for registration by ASIC and the Re-domiciliation Scheme Meeting:

- a material statement in this Explanatory Memorandum being misleading or deceptive;
- a material omission from this Explanatory Memorandum;
- a significant change affecting a matter included in this Explanatory Memorandum; or
- a significant new circumstance arising which would have been required to be included in this Explanatory Memorandum if it had arisen before the date of lodgement of this Explanatory Memorandum for registration by ASIC.

The form which the supplementary document may take, and whether a copy will be sent to each shareholder, will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on BLY's website (<https://www.boartlongyear.com/>) and released to ASX (and, accordingly, available from ASX's website (www.asx.com.au)).

11.17 **Further information**

If you have any questions about the Explanatory Memorandum or the Re-domiciliation, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) on Business Days from 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays).

Please note that the Shareholder Information Line cannot, and will not, provide advice on the merits of the Re-domiciliation or the merits of the New BLY Parent CDIs or give any financial, legal or taxation advice. If you are in doubt as to what you should do, you should consult your financial, legal, taxation or other independent and appropriately licensed and authorised professional adviser without delay.

Any information provided through the Shareholder Information Line will not override the contents of this Explanatory Memorandum.

11.18 **Deemed warranty**

Under the Re-domiciliation Scheme, each Shareholder is deemed to have warranted to New BLY Parent and BLY on the Re-domiciliation Scheme Implementation Date that:

- (a) all of their Shares (including any rights and entitlements attaching to those Shares) will, as at the time of the transfer of them to New BLY Parent, be fully paid and (subject to BLY's constitution) free from all:
 - (i) security interests (including mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise); and

- (ii) restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Shares (including any rights and entitlements attaching to those Shares) to New BLY Parent under this Re-domiciliation Scheme.

11.19 **Consent to lodgement**

(a) Directors

Each Director has given, and not withdrawn, his or her consent to the lodgement of this Explanatory Memorandum as an information memorandum for listing with ASX and an explanatory memorandum in relation to the Re-domiciliation Scheme with ASIC.

By order of the BLY Board



Kevin McArthur
Chairman

(b) New BLY Parent Directors

Each New BLY Parent Director has given, and not withdrawn, their consent to the lodgement of this Explanatory Memorandum as an information memorandum for listing with ASX and an explanatory memorandum in relation to the Re-domiciliation Scheme with ASIC.

By order of the New BLY Parent Board



Gordon Ross Amos
Sole Director

12. GLOSSARY

Capitalised terms and certain abbreviations used in this Explanatory Memorandum have the defined meanings set out in the Glossary contained in this Section 12.

2014 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2014 Option Plan.

2014 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2014 Options.

2015 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2015 Option Plan.

2015 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2015 Options.

2016 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2016 Option Plan.

2016 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2016 Options.

\$, A\$ or AUD means Australian dollars.

ABN means Australian Business Number.

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.

Ad Hoc Group or **AHG** means Ascribe, Ares, Corre, FPA, and Nut Tree.

Ad Hoc Group Director Nomination Agreements means each agreement between one or more AHG Members and BLY in relation to the nomination of no more than three directors as directors of BLY.

Ad Hoc Group Nominee Directors means those persons (not exceeding three) nominated by the Ad Hoc Group to be appointed as a director of BLY pursuant to the Ad Hoc Group Nomination Agreements, or to be appointed as a director of New BLY Parent pursuant to the relevant New BLY Parent Director Nomination Agreements, as applicable.

Affiliate has the meaning given to "affiliate" within the meaning of Rule 405 of the U.S. Securities Act.

Agents means the Administrative Agent or the Collateral Agent or both of them, as the context requires.

AHG Member means any one of Ascribe, Ares, Corre, FPA, or Nut Tree and **AHG Members** means any two or more of them.

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.

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.

Articles means the articles of the New BLY Parent.

Ascribe means Ascribe II Investments LLC.

ASIC means the Australian Securities and Investments Commission.

Assumption Deed Poll means the deed poll of that name to be entered into by New BLY Parent in connection with the Re-domiciliation Scheme in favour of the New Warrant Holders, the Class A 7% Warrant Holders, the Class B 7% Warrant Holders, Ordinary Warrant Holders, the Option Holders and the Participants, as set out in Appendix D.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691) or the financial market conducted by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the listing rules of ASX, as waived or modified by ASX in respect of BLY, the Creditor Schemes or otherwise.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement.

ATO means Australian Taxation Office.

Authorised Nominee means CHESS Depository Nominees Pty Limited ACN 071 346 503, Australian Financial Licence number 254514, an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

BCM means BL Capital Management LLC ARBN 649 445 321, a limited liability company formed under the laws of Delaware.

BLA means Boart Longyear Australia Pty Ltd ACN 000 401 025.

BLI means Boart Longyear Investments Pty Limited ACN 124 070 373.

BLY or **the Company** means Boart Longyear Limited ACN 123 052 728.

BLY Board means the board of directors of BLY from time to time.

BLY Director Nomination Agreements means:

- (a) the CBP Director Nomination Agreement; and
- (b) the Ad Hoc Group Director Nomination Agreements.

BLY Group means BLY and each of its subsidiaries.

BLY Information means the information in this Explanatory Memorandum other than the Re-domiciliation Independent Expert's Report.

BLY Issuer means Boart Longyear Management Pty Limited ACN 123 283 545.

BLY Option means each of the 2014 Options, 2015 Options and the 2016 Options.

BLY Share Register means the register of members of BLY maintained by or on behalf of BLY in accordance with section 168(1) of the Corporations Act.

BLY US means BLY US Holdings Inc. ARBN 649 445 394, 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.

By-Laws means the by-laws of New BLY Parent.

CAD means Canadian dollars.

CBP means 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.

CBP Creditors means Centerbridge Special Credit Partners II L.P, Centerbridge Credit Partners Master AIV III, L.P, CCP II Acquisition Holdings, LLC, Centerbridge Credit Partners Master, L.P. and Centerbridge Special Credit Partners Master II AIV III, L.P.

CBP Director Nomination Agreement means the agreement between BLY and affiliates of Centerbridge in relation to the nomination of the CBP Nominee Directors as directors of BLY.

CBP Nominee Directors means those persons nominated by Centerbridge Partners, L.P. on behalf of CBP, and its and their affiliates and managed funds to be appointed as a director of BLY pursuant to the CBP Director Nomination Agreement or to be appointed as a director of New BLY Parent pursuant to the relevant New BLY Parent Director Nomination Agreement, as applicable.

CDI means 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.

CDI Voting Instruction Receipt Time has the meaning given to it in Section 4(g) of Appendix E.

Centerbridge means Centerbridge Partners, L.P. and its affiliates or managed funds (as applicable).

Centerbridge Board Nominee 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 affiliates of Centerbridge.

CGT means Australian capital gains tax.

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.

Class A 7% Warrant means the 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.

Class B 7% Warrant means the 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.

Constitution means the constitution of BLY, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means *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 and Corre Horizon Fund, LP.

Court means the Supreme Court of New South Wales.

CRA the Canada Revenue Agency.

Creditor Share Purchase Option means the option for each SUN Noteholder, TLA Purchaser, TLB Purchaser or SSN Noteholder which is a Secured Scheme Creditor or 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 the Secured Creditors Scheme and 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 3.5(c).

Creditors' Schemes means both of the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Schemes Effective Date means the date upon which each of the conditions precedent in the Creditors' Schemes have been satisfied.

Creditors' Schemes Voting Entitlement Record Date means the date upon which a creditors' entitlement to vote at the Creditors' Scheme Meetings is determined, being 3.00pm (Sydney time), 2 August 2021.

Creditor Scheme Companies means BLY, BLY Issuer, BLA, BLI, Votaint, BCM and BLY US.

Creditors' Scheme Implementation Date has the meaning given to that term in the Restructuring Implementation Deed.

Creditors' Scheme Meetings means the meeting of BLY's:

- (a) Secured Scheme Creditors; and
- (b) Unsecured Scheme Creditors,

for the purposes of considering the Creditors' Schemes.

Creditors' Scheme Second Court Date means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Creditors' Scheme.

CSPO Allocation Principles has the meaning given to that term in Section 3.5(c).

CSPO Cap Amount has the meaning given to that term in Section 3.5(c).

CSPO Issue Price has the meaning given to that term in Section 3.5(c).

Directors means the directors appointed to BLY as at the date of this Explanatory Memorandum .

DTC means The Depository Trust Company, a central securities depository registered as a clearing agency with the Securities Exchange Commission.

EBIT means earnings before interest and taxation.

EBITDA means earnings before interest, taxation, depreciation and amortisation.

Effective when used in relation to the Creditors' Scheme and the Re-domiciliation Scheme (as the case may be), means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the applicable scheme.

Eligible SBB Shareholder means a person who:

- (a) is the registered holder of 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 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 person who:

- (a) is registered as a Shareholder on the BLY Share Register as at the SPP Record Date with a registered address in Australia or New Zealand;
- (b) is not in the United States and not acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under 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 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 Shareholders in the relevant jurisdiction and the requirements of the laws of that jurisdiction.

Existing 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 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, among 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 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 means each of the following instruments:

- (a) the Ordinary Warrants;
- (b) the Class A 7% Warrants; and
- (c) the Class B 7% Warrants.

Exit Financier has the meaning given to that term in the Restructuring Implementation Deed.

Exit Financing Facility means financing made available under a new money facility agreement, which shall:

- (a) be available for drawing by BLY US or another other member of the BLY Group;
- (b) be a five year term loan facility with a total aggregate commitment of US\$115,000,000 available for the purposes, amongst others, 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 Restructuring Implementation Deed) in accordance with the Restructuring Implementation Deed.

Explanatory Memorandum means this document, which includes the Re-domiciliation Scheme, the explanatory statement for the Re-domiciliation Scheme and the Notice of Re-domiciliation Scheme Meeting.

Extraordinary General Meeting or **EGM** means the extraordinary general meeting of Shareholders convened by the Notice of Meeting to consider, amongst other things, the Recapitalisation Resolutions.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

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 Creditor 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.

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.

HIN means Holder Identified Number.

Implementation Steps has the meaning given to that term in the Restructuring Implementation Deed.

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 between, amongst others, BLY 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.

Indemnification Agreements means the indemnification agreement to be entered into by New BLY Parent with each of the New BLY Parent Director.

Individual Shareholder means Gordon Ross Amos.

Ineligible Foreign Shareholder means:

- (a) a Shareholder whose address as shown in the BLY Share Register (as at the 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) a Shareholder to whom 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 Shareholder is located.

Ineligible Person has the meaning given to that term in the Creditors' Schemes.

Information Agent means Prime Clerk LLC.

Interested Person has the meaning given to that term in Section 11.9.

Listing Checklist means Appendix 1A Information Form and Checklist to the ASX Listing Rules.

Long Term Incentive Plan means Boart Longyear's 2020 Long Term Incentive Plan approved at BLY's Annual General Meeting on 31 July 2020.

Maximum Committed Securities means the maximum number of Shares the relevant Participating SUN Noteholder or Other CSPO Participant (or their 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).

New BLY Parent means Boart Longyear Ltd, a limited company incorporated in Ontario, Canada (Number: 2854330), a newly incorporated company established for the purpose of the Re-domiciliation Scheme.

New BLY Parent Board means the board of directors of New BLY Parent from time to time.

New BLY Parent CDI means a CDI representing one (1) New BLY Parent Share.

New BLY Parent CDI Holder means the registered holder of a New BLY Parent CDI.

New BLY Parent Director Nomination Agreements means:

- (a) the Canadian law governed deed between CBP and New BLY Parent in relation to the nomination by CBP of the CBP Nominee Directors to be appointed to the board of New BLY Parent; or
- (b) the Canadian law governed deeds between the Ad Hoc Group and New BLY Parent in relation to the nomination by the Ad Hoc Group of the Ad Hoc Group Nominee Directors to be appointed to the board of New BLY Parent.

New BLY Parent Director means a director of New BLY Parent.

New BLY Parent Share means a fully paid common share in the capital of New BLY Parent.

New BLY Parent Shareholder means a registered holder of a New BLY Parent Share following implementation of the Re-domiciliation Scheme.

New BLY Parent Share Register means the register of members of New BLY Parent.

New Common Equity has the meaning given to that term in the Chairman's Letter.

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 A\$2.79.

New Warrant Holder means the holder of the New Warrants.

Nominee Directors means the CBP Nominee Directors and the Ad Hoc Group Nominee Directors.

Non-Associated Shareholder means a 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 Re-domiciliation Scheme Meeting means the notice of Re-domiciliation Scheme Meeting to be issued to Shareholders as set out in Appendix F.

Notice of Meeting means the Notice of Extraordinary General Meeting and Explanatory Statement dated 29 July 2021.

Nut Tree means Nut Tree Capital Management and Nut Tree Master Fund, LP.

OBCA means the *Ontario Business Corporations Act*.

Obligors Deed Poll has the meaning given to that term in the Unsecured Creditors' Scheme.

Option Holder means each holder of a BLY Option.

Ordinary Warrant Deed Poll means the ordinary warrant deed poll dated 31 August 2017 executed by BLY.

Ordinary Warrants means quoted ordinary warrants trading on ASX initially issued in September 2017 to all eligible Shareholders, which are subject to an Ordinary Warrant Deed Poll.

Ordinary Warrant Holders means the holders of the Ordinary Warrants.

Other CSPO Participants 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 an 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 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).

Proxy Cut-Off Time means 10:30am (Sydney time), 6 September 2021, being the deadline for receipt by the Registry of Proxy Forms to be lodged by Shareholders.

Recapitalisation means the proposed recapitalisation of the Company to be implemented through the Recapitalisation Transactions.

Recapitalisation Documents means the transaction documents giving effect to the Recapitalisation Transactions including the Restructuring Support Agreement, the Secured Creditor Scheme, the Unsecured Creditor Scheme, the Creditors' Share Purchase Option, the Restructuring Implementation Deed, the Share Purchase Plan and the Exit Financing Facility.

Recapitalisation Resolutions has the meaning given to that term in the Notice of Meeting.

Recapitalisation Transactions means the transactions as contemplated by the Restructuring Support Agreement including the Secured Creditors' Scheme, the Unsecured

Creditors' Scheme, the Exit Financing Facility, the Share Consolidation, the Share Purchase Plan and the Creditors Share Purchase Option.

Re-domiciliation means the proposed re-domicile of BLY from Australia to Canada, to be implemented pursuant to Re-domiciliation Scheme as described in this Explanatory Memorandum.

Re-domiciliation Conditions Precedent means the conditions precedent to the Re-domiciliation Scheme.

Re-domiciliation Independent Expert means KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Ltd.

Re-domiciliation Independent Expert's Report means the report of the Re-domiciliation Independent Expert as set out in Section 4.2 and any update to such report that the Re-domiciliation Independent Expert issues.

Re-domiciliation Scheme means a members' scheme of arrangement in accordance with Part 5.1 of the Corporations Act between BLY and Shareholders pursuant to which BLY will become a wholly owned subsidiary of the New BLY Parent by the transfer of all Shares to the New BLY Parent in exchange for the issue of New BLY Parent CDIs.

Re-domiciliation Scheme Deed Poll means the deed poll of that name to be entered into by New BLY Parent, as set out in Appendix C.

Re-domiciliation Scheme Effective Date means the date on which each of the Re-domiciliation Conditions Precedent have been satisfied or waived in accordance with the Re-domiciliation Scheme.

Re-domiciliation Scheme Implementation Date means the implementation date for the Re-domiciliation Scheme, which will be the Business Day which is 2 Business Days after the Re-domiciliation Scheme Record Date for the Re-domiciliation Scheme, or such other date as BLY and New BLY Parent may agree in writing, may be ordered by the Court or may be required by ASX.

Re-domiciliation Scheme Meeting means the meeting of Shareholders ordered by the Court to be convened under 411(1) of the Corporations Act in relation to the Re-domiciliation Scheme.

Re-domiciliation Scheme Record Date means 7:00pm (Sydney time) on the day which is two business days after the date on which the Re-domiciliation Scheme becomes Effective or any other date (after the Re-domiciliation Scheme becomes Effective) agreed by BLY and New BLY Parent to be the record date to determine entitlements to receive Re-domiciliation Scheme Consideration under the Re-domiciliation Scheme.

Re-domiciliation Scheme Resolution means the resolution to be put to Shareholders at the Re-domiciliation Scheme Meeting to approve the Re-domiciliation Scheme.

Re-domiciling Event means the completion of the implementation of the redomiciling of the place of incorporation or organisation of BLY to a jurisdiction outside of Australia.

Registry means Link Market Services Limited or (as applicable) any other registry that BLY appoints to maintain the BLY Share Register or that New BLY Parent appoints to maintain the register of New BLY Parent Shares.

Relevant Interest has the meaning given to that term in the Corporations Act.

Relevant AHG Shareholders at a time means:

- (c) the Ares Shareholders;
- (d) Ascribe;
- (e) the Corre Shareholders;
- (f) the FPA Shareholders;
- (g) Nut Tree Master Fund, LP; and
- (h) any AHG Permitted Assignee,

that are the registered holders of Retained Shares at that time.

Relevant CBP Shareholders at a time means:

- (i) the affiliates of Centerbridge who are party to the CBP Director Nomination Agreement; and
- (j) Centerbridge Permitted Assignee,

that are the registered holders of Retained Shares at that time.

Requisite Majorities means approval of the Re-domiciliation Scheme by:

- (a) greater than 50% in number of Shareholders present and voting at the Re-domiciliation 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 on the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting.

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 to be executed by a Secured Scheme Administrator on behalf of the Secured Scheme Creditors and an Unsecured Scheme Administrator on behalf of the Unsecured Scheme Creditors

Restructuring Support Agreement means the Restructuring Support Agreement entered into between, among others, BLY and BLY Issuer, dated 12 May 2021, as may be amended, modified or supplemented from time to time.

Retained Shares means:

- (a) immediately following completion of Step 8 (*Confirmation of Scheme Restructuring Effective Time*) of the Implementation Steps as set out in clause 8 (*Implementation Steps*) of the Restructuring Implementation Deed, 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 Re-domiciliation 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 Re-domiciliation 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.

RSA Transactions means the restructuring of BLY and certain of its subsidiaries as summarised in the Restructuring Term Sheet located at Schedule 2 of the Restructuring Support Agreement.

Sale Agent means the person nominated by BLY to sell or facilitate the sale of New BLY Parent Shares or New BLY Parent CDIs under the Sale Facility as described in Section 3.19.

Sale Facility means the facility to be established by BLY and managed by the Sale Agent under which Ineligible Foreign Shareholders' New BLY Parent CDIs may be sold in accordance with the terms of the Scheme, as described in Section 3.19.

Sale Securities means the New BLY Parent CDIs to be issued to the Sale Agent under the Sale Facility as described in Section 3.19.

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.

Share Consolidation has the meaning given to that term in Section 3.5(e).

SPP Issue Price means A\$2.48 .

SPP Record Date means 7:00 pm (Sydney time) on 28 July 2021, being the record date for the Share Purchase Plan.

Scheme Administrators means the Secured Scheme Administrators and the Unsecured Scheme Administrators.

Scheme Administrators Deed Poll means the Secured Scheme Administrators Deed Poll and the Unsecured Scheme Administrators Deed Poll.

Scheme Creditors means Secured Scheme Creditors and Unsecured Scheme Creditors.

Scheme Shareholders means each person who is a Shareholder as at the Re-domiciliation Scheme Record Date.

Second Court Date means the date of the Second Court Hearing expected to be 28 September 2021.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Re-domiciliation Scheme.

Section is a reference to a section in this Explanatory Memorandum.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Creditor Scheme Companies and the Secured Scheme Creditors.

Secured Money has the meaning given to that term in the Secured Creditors' Schemes.

Secured Scheme Administrators means FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Secured Creditors' Scheme.

Secured Scheme Administrators Deed Poll has the meaning given to that term in the Unsecured Creditors' Scheme.

Secured Scheme Creditors means, as at the Creditors' Schemes 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; and
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Secured Debt; and
 - (ii) the SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co.

Selective Buy-Back means the purchase of Shares by the Company from Eligible SBB Shareholders, the details of which are set out in Section 3.3.

Share Purchase Plan means the share purchase plan offered to Eligible SPP Shareholders prior to the Creditors' Scheme Implementation Date, the details on which are set out in Section 3.5(b) .

Shareholder means each person who is registered in the BLY Share Register as a holder of Shares.

Shareholder Information Line means the information line set up for the purpose of answering enquiries from Shareholders in relation to the Re-domiciliation, the details of which are set out in Section 2.5.

Shares means fully paid ordinary shares in the capital of BLY.

SRN means Securityholder Reference Number.

SSN Account Holder Letter means an account holder letter to be completed and lodged by SSN Noteholders in accordance with the instructions set out in the explanatory statement in connection with the Creditors' Scheme.

SSN Indenture means the indenture dated 27 September 2013, between, amongst others, the BLY Issuer, as issuer, BLY, as parent, BLA, BLI, Votaint, BCM and BLY US, as guarantors, amongst others, and U.S. Bank National Association, as trustee and collateral agent, in respect of the 12.0% / 10.0% 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 DTC.

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 applicable Finance Documents.

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 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 applicable Finance Documents.

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 Restructuring Implementation Deed.

Subscriber Share has the meaning given to that term in Section 7.1.

Substitute Property means shares, stock, securities, other equity interests or assets received in respect of a Share in substitution for that Share.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SUN Noteholders under the applicable Finance Documents.

SUN Account Holder Letter means an account holder letter to be completed and lodged by SUN Noteholders in accordance with the instructions set out in the explanatory statement in connection with the Unsecured Creditors' Scheme.

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 DTC.

SUN Trustee means Delaware Trust Company, in its capacity as trustee under the SUN Indenture and any successor trustee under that document.

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, 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 to be lodged by TLA Purchasers with the Information Agent in accordance with the instructions set out in the explanatory statement in connection with the Creditors' Schemes.

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 applicable Finance Documents.

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 applicable Finance Documents.

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 Proof of Debt Form means a proof of debt form to be lodged by TLB Purchasers with the Information Agent in accordance with the instructions set out in the explanatory statement in connection with the Creditors' Schemes.

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 applicable Finance Documents.

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 applicable Finance Documents.

Treasurer has the same meaning as it has for the purposes of the FATA.

Undertaking has the meaning given to that term in the Creditors' Schemes.

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 (as defined therein), being the compromise or arrangement proposed by the Scheme Companies and approved by the Court in 2021.

Unsecured Creditors' Scheme Meeting means the meeting of 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 Administrator means FTI Consulting, or any other person who accepts the appointment to the role of scheme administrator of the Unsecured Creditors' Scheme.

Unsecured Scheme Administrators Deed Poll has the meaning given to that term in the Unsecured Creditors' Scheme.

Unsecured Scheme Creditors means as at the Creditors' Schemes 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) the 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.

Votrant means Votrانت No. 1609 Pty Limited ACN 119 244 272.

Voting Entitlement Record Date means 7pm, 6 September 2021, being the date and time which determines the entitlement of Shareholders to vote at the Re-domiciliation Scheme Meeting.

APPENDIX A: RE-DOMICILIATION INDEPENDENT EXPERT'S REPORT



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The Directors
Boart Longyear Limited
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24 July 2021

Dear Directors

PART ONE – RE-DOMICILE INDEPENDENT EXPERT REPORT

1 Introduction

On 13 May 2021 (Announcement Date) Boart Longyear Limited (BLY or the Company) announced that an overwhelming majority of its lenders (the Supporting Creditors)¹ had entered into a Restructuring Support Agreement (RSA) that would convert approximately US\$795 million of BLY's debt and accrued interest cost into 98.5% of the post-recapitalisation ordinary shares of BLY (the Recapitalisation). The Recapitalisation is intended to provide a more sustainable capital structure for BLY through substantially reducing debt and interest costs, strengthening the balance sheet as well as enhancing liquidity to support operations and future growth.

Under the RSA, the Company has also agreed to pursue a re-domiciliation scheme of arrangement (Re-domiciliation) to change the Company's corporate domicile to Ontario, Canada. The majority of the Company's management and employees are located in the United States of America. At completion of the transaction, BLY will maintain a listing of CHES Depositary interests (CDIs) on the Australian Stock Exchange (ASX)(subject to ASX approval) and does not expect a re-domiciliation to result in material changes to the Company, its strategy, or its businesses.

BLY is a leading global provider of drilling services and manufacturer of drilling equipment and performance tooling for mining and drilling companies. At 12 May 2021, the Company had a market capitalisation of US\$36.3 million².

¹ The Supporting Creditors comprise Ares Management LLC (Ares), Ascribe II Investments LLC (Ascribe), Centerbridge Partners, L.P. (Centerbridge), Corre Partners Management LLC (Corre), First Pacific Advisers LP (FPA) and Nut Tree Capital Management (Nut Tree).

² Based on an exchange rate of 0.7741 US\$/AU\$ and market capitalisation the day prior to Announcement Date

KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215, Australian Financial Services License No. 246901.

is an affiliate of KPMG. KPMG is an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited ("KPMG International")

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The re-domiciliation will involve eligible BLY Shareholders acquiring the same proportionate interests they presently hold in BLY in a new holding company incorporated in Ontario, Canada, called Boart Longyear Ltd (New BLY Parent) (the Re-domicile Transaction).

The Re-domicile Transaction will be implemented via a court approved scheme of arrangement under Part 5.1 of the Corporations Act, (the Scheme). Whilst the Recapitalisation is not dependent on the Re-domiciliation proceeding, a condition precedent of the Re-domiciliation Scheme is the Creditor Schemes' becoming effective.

The Directors have requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance) to prepare an Independent Expert Report (IER) for the benefit of the Shareholders setting out whether, in our opinion, the Re-domicile Transaction is in the best interests of Shareholders.

This report sets out KPMG Corporate Finance's opinion on the Re-domicile Transaction and will be included in the Scheme Documents to be sent to Shareholders prior to the Scheme Meeting. This report should be considered in conjunction with, and not independently of, the information set out in the Explanatory Memorandum provided to Shareholders in relation to the Re-domicile Transaction. It should also be read in conjunction with KPMG Corporate Finance's Recapitalisation independent expert report as set out in the Notice of Meeting with respect to the Recapitalisation.

Further information regarding KPMG Corporate Finance as it pertains to preparation of this report is set out in Appendix 1.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Summary of the Re-domicile Transaction

The Re-domicile Transaction will be implemented via the Scheme. If the Scheme is approved, the Redomicile Transaction will result in:

- All of the BLY shares will be transferred to, a new holding company incorporated in Ontario, Canada, (New BLY Parent) and BLY will become a wholly owned subsidiary of New BLY Parent
- Shareholders (other than Ineligible Foreign Shareholders³) will receive in exchange for each BLY Share held by them on the Re-domiciliation Scheme Record Date a CHESS Depository Interest (CDI) representing a beneficial interest in a New BLY Parent share (New BLY Parent CDI) which, will be able to be traded on the ASX, and
- Ineligible Foreign Shareholders will not be eligible to receive New BLY Parent CDIs under the Scheme. Instead, the New BLY Parent CDIs to which Ineligible Foreign Shareholders would otherwise be entitled will be transferred to a nominee appointed by BLY who will sell those New BLY Parent CDIs and Ineligible Foreign Shareholders will receive the net proceeds of the sale of those New BLY Parent CDIs.

Subject to the implementation of the Re-domiciliation, New BLY Parent currently intends to apply for listing of New BLY's Parent's shares on a North American stock exchange following the Re-domiciliation

³ Ineligible Foreign Shareholders being Shareholders whose address is outside stated jurisdictions as set out in Section 3.18 of the Explanatory Memorandum.



Implementation Date. New BLY Parent also intends to retain the listing of the BLY Parent CDIs on the ASX (subject to ASX approval).

Whilst not part of the Re-domiciliation members scheme of arrangement, subject to the Redomicile Transaction being approved by Shareholders, BLY will allow Shareholders who hold parcels of shares valued at less than AU\$3,000 the opportunity, under certain conditions, to offer to sell their BLY shares to BLY under a selective buy-back (Selective Buy-Back). BLY may in its absolute discretion determine whether to accept (in whole or in part) or reject an offer from BLY 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 US\$500,000.

3 Requirement for our Report

Section 412(1) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Corporations Act, includes information that is material to the making of a decision by a member as to whether or not to agree with the scheme. In this regard, the Directors of BLY have requested KPMG Corporate Finance to prepare an IER that complies with Section 411.

In undertaking our work we have had regard to the guidance provided by the Australian Securities & Investments Commission (ASIC) in its Regulatory Guides and in particular Regulatory Guide 111 'Content of expert reports' (RG 111), which outlines the principles and matters which it expects a person preparing an IER to consider when providing an opinion.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Sections 6.4 and 6.5 respectively, of this report.

4 Summary of opinion

In our opinion, the Scheme is, on balance, **in the best interests of Shareholders**.

The primary advantage for the Re-domicile Transaction is for BLY to better align its legal structure with the geography of its shareholder base and to improve access to capital. As such whilst Shareholders will receive in exchange for each BLY Share held by them a CDI representing a beneficial interest in a New BLY Parent Shares, post the Re-domicile Transaction Shareholders will still hold the same proportional economic interest in the assets of the BLY Group that they will hold post the Recapitalisation and the New BLY Parent CDIs will continue to trade on the ASX (subject to ASX approval). There will also be no change to the business plan or the financial and operating strategies of the BLY Group.

In forming our opinion, we considered both the advantages, disadvantages and other matters associated with the Re-domicile Transaction and the wider Restructuring Transaction (where relevant) in order to assess whether Shareholders will be better off, or at least no worse off, if the Re-domicile Transaction is implemented as contemplated. The principal matters considered by us to be material to any decision by Shareholders as to whether to support the Scheme and hence the Re-domicile Transaction, are summarised below.

Further discussion in relation to changes to shareholder rights and taxation implications of the Re-domicile Transaction are set out in Sections 8, 9 and 10 of the Explanatory Memorandum, respectively. Shareholders are strongly encouraged to read the Explanatory Memorandum in its entirety and, if uncertain as to any aspect, seek specialist advice prior to reaching any decision as to whether or not to vote in favour of the Scheme.

4.1 Advantages of the Re-domicile Transaction

Based on our analysis, if approved, the Re-domicile Transaction is expected to result in the following advantages.

Greater access to capital from North American institutional investors

As at 31 March 2021, BLY had approximately US\$869.0 million of net debt and had made a statutory net loss after tax of US\$10.0 million for the quarter. Accordingly, the Company is considered to be in a situation of financial distress. Following the Recapitalisation (whereby outstanding debt of BLY will be reduced by US\$793.8 million) and the Re-domicile Transaction, BLY is likely to be more attractive to institutional investors and pooled funds which are subject to specific international market risk requirements, therefore potentially increasing the Company's access to capital from North American institutional investors.

More familiar legal framework attractive to US investors

BLY is an Australian domiciled company that is listed on the ASX and predominately has United States (US) based shareholders. Besides BHP Group, most of the top diversified metals and mining companies are incorporated in North America and the UK because of their greater size and associated access to capital. This suggests that investors are likely to be familiar with corporate and governance laws of Canada. Following the Re-domicile Transaction, as a Canadian domiciled company, New BLY Parent will operate in a legal framework more in line with competitors and therefore will potentially be more attractive to investors who are likely to be familiar with Canadian law.

The Re-domicile Transaction may better align BLY's corporate structure with its peers, along with simpler tax and corporate structure considerations for potential merger, sale or acquisition transactions in the future, lowering transaction costs and expediting transaction completion.

Management efficiencies

BLY is an ASX listed company that operates a global diversified metals and mining company with a presence across North America, Latin America, Europe, Middle East and Africa (EMEA), and Asia Pacific. At present, BLY's key corporate functions are situated in the US. Under its current organisational structure, BLY manages its global operations from its US headquarters with the majority of the Company's management and employees already located in North America. Further, over 60% of the Company's revenue is generated from US and Canada.

As a Canadian domiciled company, New BLY Parent will, over time, have significant corporate functions based out of its US office. As such, New BLY Parent will be able to better align and be equipped to manage its operations in the US, Canada and EMEA, given the time zones and geographic proximity of these regions to the US compared to Australia which is expected to result in efficiencies in overhead costs over time.

Retention of the ASX listing

At completion of the transaction, BLY's corporate and tax domicile will be changed to Canada. BLY will become a wholly owned subsidiary of New BLY Parent and those Shareholders (other than Ineligible Foreign Shareholders⁴) will hold New BLY Parent CDIs instead of BLY Shares. New BLY Parent will

⁴ Ineligible Foreign Shareholders being Shareholders whose address is outside stated jurisdictions as set out in Section 3.18 of the Explanatory Memorandum.

apply to be listed on the ASX and BLY will be delisted on ASX. The Re-Domiciliation is not expected to result in material changes to the Company, its strategy, or its businesses.

The listing of New BLY Parent's CDIs on the ASX is a condition precedent to the implementation of the Scheme and accordingly, Shareholders (other than Ineligible Foreign Shareholders⁵) will continue to be able to trade their shares through New BLY Parent CDIs and New BLY Parent will be required to comply with the ASX listing rules.

There are no significant disadvantages to holding New BLY Parent CDIs relative to direct ownership of BLY shares. Based on the disclosure in the Explanatory Memorandum, the rights of Shareholders will not be impacted due to their inability to have a direct ownership in New BLY Parent. A detailed description of the rights of CDI holders and the differences between holding shares and CDIs are set out in Appendix E of the Explanatory Memorandum.

We consider it an advantage that Shareholders, who wish to retain the ability to trade on the ASX will continue to be able to do so, with little change in their rights. We recognise that were this not the case Shareholders would likely see this as a disadvantage.

Comparable shareholder protection

The Explanatory Memorandum sets out the comparative provisions between Australian and Canadian company rules (refer Section 8.4 of the Explanatory memorandum). In our opinion, the Shareholders (other than Ineligible Foreign Shareholders) will not be prejudiced due to the Re-domicile Transaction as the regulations in Canada are not materially dissimilar to those observed in Australia.

Cost of insurance

The insurance market in Australia for BLY is currently very expensive with the expected cost to maintain existing levels expected to increase in the future. As a Canadian domiciled company BLY will be able to take advantage of North America's more competitive and cost effective insurance market.

4.2 Disadvantages of the Re-domicile Transaction

Based on our analysis, if approved, the Re-domicile Transaction is expected to result in the following disadvantages.

Change of jurisdiction

Following the Re-domicile Transaction, actions taken by Australian Shareholders with respect to New BLY Parent will be governed by the Canadian legal system. We are of the view that Australian Shareholders are unlikely to be prejudiced due to the Re-Domiciliation and an Australian shareholder will be able to seek enforcement of the laws in the same manner as a Canadian shareholder. However this unfamiliarity may be seen as a disadvantage to Australian based investors (refer Section 8.4 of the Explanatory memorandum for further detail as to the differences between Australian and Canadian company law requirements).

Potential increase in costs

After the completion of the Re-domicile Transaction, New BLY Parent will have compliance and regulatory obligations in two jurisdictions – Canada and Australia, which may increase costs. Whilst the

⁵ Ineligible Foreign Shareholders being Shareholders whose address is outside stated jurisdictions as set out in Section 3.18 of the Explanatory Memorandum.

New BLY Parent will prepare two sets of financial statements these will be prepared in accordance with substantially the same standards.

Ineligible Foreign Shareholders will not be able to receive New BLY Parent CDIs

An existing BLY Shareholder who is considered ineligible as their address is a place outside various designated countries will not be able to receive New BLY Parent CDIs to which they would have been entitled. Those shares will be sold with the net proceeds distributed to the Ineligible Foreign Shareholders after deducting sale costs.

Tax implications

As set out in Section 9 of the Explanatory Memorandum, the Re-domicile Transaction may have adverse tax implications for individual Shareholders. Individual Shareholders are advised to seek their own professional advice if they are unsure of the tax implications due to the Restructure.

4.3 Other matters relating to the Re-domicile Transaction

In forming our opinion, we have also considered a number of other factors as outlined below. Whilst we do not necessarily consider these to be advantages or disadvantages of the Re-domicile Transaction, we consider it necessary to address these considerations in arriving at our opinion.

One-off costs related to the Re-domicile Transaction

The Restructuring of which the Re-domicile Transaction is only one part involves BLY incurring various costs relating to professional advisory fees as well as fees and taxes payable to regulators and other Governmental Agencies. These costs are expected to total up to US\$40.4 million, of which a significant majority will have already been incurred as at the date that Shareholders meet to vote on the Re-domicile Transaction. Some of these costs will be incurred irrespective of whether the Re-domicile Transaction is approved.

Availability of tax losses

BLY has, prima facie, unused tax losses available to offset against future taxable income. Whilst the Re-domicile Transaction may increase the risk of failure under the continuity of ownership test, BLY may still satisfy the same business test or alternatively a similar business test (depending on the applicable loss year). However, the availability of any tax losses will first be impacted by the Recapitalisation as the exchange of debt for BLY Shares is expected to give rise to a commercial debt forgiveness under Australian tax legislation.

The Shareholder rights of New BLY Parent Shares will generally reflect the rights of the existing BLY Shares

If the Re-domicile Transaction is approved, Shareholders will no longer hold securities in an Australian domiciled entity as they will exchange these securities for shares in a Canadian domiciled company, New BLY Parent.

The rights of New BLY Parent Shares will generally reflect the rights of the existing BLY Shares in many respects including the ability to receive dividends and to vote. These are discussed in further detail in Sections 8.3 and 8.4 of the Explanatory Memorandum.

Share price of New BLY Parent Shares likely to be similar to BLY Shares

New BLY Parent Shares do not have any trading history and therefore the trading price of New BLY Parent Shares post the implementation of the Re-domicile Transaction is uncertain. However,

immediately following the implementation of the Re-domicile Transaction New BLY Parent Shares will likely reflect the trading price of the BLY Shares immediately prior to implementation, given executives, assets, operations and strategy of the BLY Group are expected to remain the same post the Re-domicile Transaction.

Tax implications associated with the Re-domicile Transaction

If the Re-domicile Transaction becomes effective, it may trigger taxation consequences for certain Shareholders.

For further detail regarding the taxation consequences of the Re-domicile Transaction and in relation to the holding and disposal of New BLY Parent Shares, refer to Section 9 of the Explanatory Memorandum.

Scheme Participants should consult their professional advisers on the tax implications of the Re-domicile Transaction for their particular circumstances.

4.4 Alternative jurisdictions for the Re-domicile Transaction

BLY management have considered the merits of a number of jurisdictions for the purposes of the Re-domicile Transaction. The US or Canada were considered the most appropriate jurisdiction given they are well-established financial centres, with developed legal and regulatory frameworks. The geographic location of the North America makes it an ideal location to manage BLY's business operations in North America and EMEA. Ultimately the decision has been made to re-domicile to Canada.

4.5 The Re-domicile Transaction may be implemented even if you vote against it

In the event Shareholders do not vote or vote against the Scheme, the Re-domicile Transaction will be implemented if it is approved by the Requisite Majorities of Shareholders and the Court and all other conditions to the Scheme are satisfied or waived. If this occurs, on the Implementation Date, all BLY Shares will be transferred to New BLY Parent and Shareholders will be entitled to receive one New BLY Parent CDI for each BLY Share held on the Record Date, even though a particular shareholder did not vote on or voted against the Re-domicile Transaction.

It is also relevant in this respect to note that BLY's Major Shareholders, being CBP, Ascribe and Corre, which have a Relevant Interest in Shares of 53.3%, 20.7% and 2.9% respectively as at the date of this Explanatory Statement, intend to vote in favour of the Re-domiciliation Transaction.

4.6 Consequences should the Re-domicile Transaction not proceed

The Re-domiciliation will not be implemented if Shareholders do not approve the Scheme, the Court does not approve the Scheme, or any other conditions precedent to the Scheme are not satisfied or waived. If the Re-domicile Transaction is not implemented, BLY will remain as an Australian domiciled company listed on the ASX. Further,

- Shareholders will continue to hold their interests in BLY and the underlying assets of the BLY Group
- a portion of the costs relating to the Re-domicile Transaction would have been incurred. The costs related to the Re-domicile Transaction are detailed in Section 4.3 of this report
- the Selective Buy-Back will not proceed, and
- the advantages, disadvantages and other matters relating to the Re-domiciliation will not be realised, and the disadvantages and other consideration will not arise.

5 Other matters



Boart Longyear
Independent Expert Report
24 July 2021

In forming our opinion, we have considered the interests of Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual Shareholders. It is not practical or possible to assess the implications of the Re-domicile Transaction on individual Shareholders as their financial circumstances are not known. The decision of Shareholders as to whether or not to approve the Re-domicile Transaction is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual Shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her particular circumstances, we recommend that individual Shareholders including residents of foreign jurisdictions seek their own independent professional advice.

We note that the Recapitalisation is not dependent on the Re-domicile Transaction and will proceed regardless of whether the Re-domicile Transaction is approved.

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting Shareholders in considering the Re-domicile Transaction. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

All currency amounts in this report are denominated in US dollars unless otherwise stated.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Explanatory Memorandum to be sent to Shareholders in relation to the Re-domicile Transaction, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Explanatory Memorandum.

We refer readers to the limitations and reliance on information as set out in Section 6.5 of our report. In this respect, Shareholders should recognise that our opinion is based on prevailing market, economic and other conditions at the date of this report and corresponds with a period of significant volatility in global financial markets and widespread macro-economic uncertainty associated with the COVID-19 pandemic. To the extent possible, we have reflected these conditions in our opinion. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively.

We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Adele Thomas
Authorised Representative



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6 The Re-domicile Transaction

6.1 Summary of the Re-domicile Transaction

Under the RSA the Board of BLY is required to take all steps to redomicile the BLY business to Canada.

The Re-domicile Transaction will be implemented via a court approved scheme of arrangement under Part 5.1 of the Corporations Act (the Scheme). If the Scheme is approved, the Redomicile Transaction will result in

- BLY becoming a wholly owned subsidiary of New BLY Parent, a new holding company incorporated in Ontario, Canada
- Shareholders of BLY as at the Re-domiciliation Scheme Record Date (except for Ineligible Foreign Shareholders⁶) will have each BLY Share held at the Re-domiciliation Scheme Record Date exchanged for a CDI representing a beneficial interest in a New BLY Parent CDI which will be able to be traded on the ASX (subject to ASX approval)
- Ineligible Foreign Shareholder will not be eligible to receive New BLY Parent CDIs under the Re-domiciliation Transaction, their securities will be sold and they will receive the net proceeds of the sale of the New BLY Parent CDIs to which they would otherwise have been entitled, and
- Each New BLY Parent CDI received by Shareholders 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 the Authorised Nominee in accordance with the ASX Settlement Operating Rules.

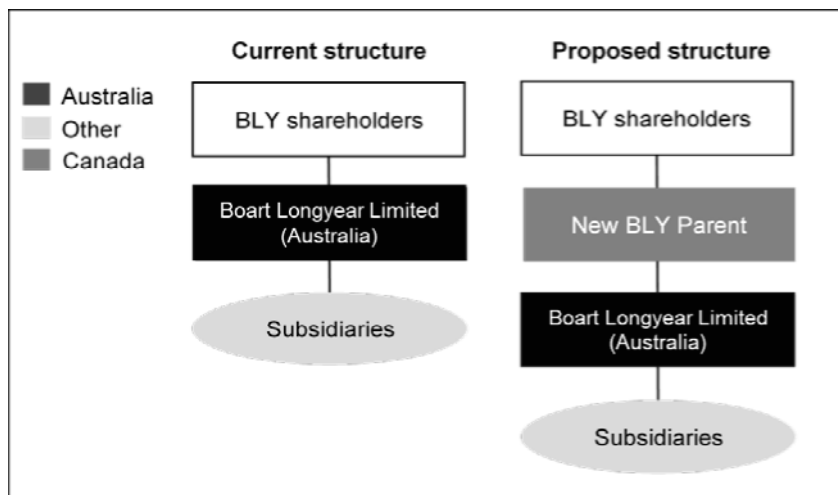
As discussed previously it is BLY's intention to apply for listing of New BLY's Parent's shares on a North American stock exchange following the Re-domiciliation Implementation Date. New BLY Parent would also retain the listing of the BLY Parent CDIs on the ASX (subject to ASX approval).

Following the Redomicile Transaction, the executives, assets, operations and strategy of the BLY are expected to remain the same.

The Redomicile Transaction will be achieved by "top-hatting" BLY with New BLY Parent. The diagram below provides an overview of BLY's current group structure and the group structure of New BLY Parent if the Redomicile Transaction is approved.

⁶ Ineligible Foreign Shareholders being Shareholders whose address is outside stated jurisdictions.

Figure 1: Current and proposed relevant group structure



Source: Management

Completion of the Re-domicile Transaction requires the approval of Shareholders and the satisfaction of a number of conditions precedent. Further detail in relation to the conditions precedent are set out in Section 6.2 of the report.

Readers of this report are strongly encouraged to read the Explanatory Memorandum in its entirety before deciding whether or not to support the Scheme and thus the Re-domicile Transaction.

6.2 Key conditions of the Re-domicile Transaction

The Re-domicile Transaction is conditional on necessary Shareholder approvals, approval of the Court and the satisfaction or waiver of a number of other conditions, which are outlined in Sections 3.4 of the Explanatory Memorandum. These conditions are summarised below:

- the independent expert concluding that the Re-domicile Transaction is in the best interests of the Shareholders of the Company
- Shareholders of the Company approving the required resolutions at the general meeting by the requisite majorities
- court approval of the both the Re-domicile Transaction and the Creditors' schemes of arrangement (which form part of the Restructuring)
- Supporting Creditors and the New BLY Parent obtaining approval under the Foreign Acquisitions and Takeovers Act 1975 (Cth), and
- the Company obtaining all other relevant regulatory approvals, confirmations, consents or waivers, including confirmation from the ASX that it approves admission of New BLY Parent to the ASX.

6.3 Technical requirements

Section 412(1) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Corporations Act includes information that is material to the making of a decision by a member as to whether or not to approve the relevant proposal.

Part 3 of Schedule 8 of the Corporations Regulations specifies that the explanatory statement to be sent to shareholders must include a report prepared by an expert where either:

- a party to the scheme of arrangement has a shareholding of not less than 30% of the voting shares in the company; or
- the parties to the proposed scheme have a common director(s).

The independent expert must state whether, in the expert's opinion, the proposed scheme of arrangement is in the best interests of the members of the body as a whole and set out the expert's reasons for forming that opinion.

Even where an IER is not strictly required by the law, it is not uncommon for Directors to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member.

Whilst an IER is not required by law having regard to the Re-domicile Transaction structure, the Directors of BLY have commissioned KPMG Corporate Finance to prepare an independent expert report for the benefit of Shareholders.

6.4 Basis of assessment

Regulatory Guide (RG) 111 "Content of expert reports", issued by ASIC, indicates the principles and matters which it expects a person preparing an IER to consider. RG 111 distinguishes between the analysis required for control transactions and other transactions.

RG 111.35 and 111.36 state that in the absence of a change of control, change in the underlying economic interests of security holders or selective treatment of different security holders, the issue of 'value' may be of secondary importance. The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. RG 111.37 states that where such a transaction 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.

Whilst the method required for evaluating the transaction contemplated by the Scheme is not specified in RG 111, RG 111.8-34 establishes that any assessment by an expert should focus on the substance of the transaction rather than its legal form.

In the present circumstances the underlying economic interests of the Shareholders will be unchanged as a result of the Schemes. Shareholders effectively retain their existing ownership interest in the assets of BLY.

Accordingly, in the context of our report, we do not consider it appropriate to treat the Schemes as a control transaction. Rather the Scheme will be in the best interests of Shareholders, if Shareholders, as a whole, are assessed as being, on balance, better off, or, at least not worse off, if the Scheme proceeds than if it does not.

In forming our opinion as to whether the Re-domicile Transaction is in the best interests of Shareholders we have considered the following advantages and disadvantages:

- the potential operational benefits to be derived from the Restructuring and the Re-domicile Transaction
- impact of the arrangements on Shareholders
- taxation implications

- changes to shareholder rights
- implication of not approving the Schemes, and
- other matters relating to the Restructuring and the Re-domicile Transaction.

In forming our opinion, we consider the interests of Shareholders as a whole. As an individual shareholder's decision to vote for or against the Re-domicile Transaction may be influenced by his or her particular circumstances, our IER will recommend they each consult their own financial advisor.

6.5 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of BLY for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of management. In addition, we have also had discussions with management of BLY in relation to the nature of the BLY's business operations, its specific risks and opportunities and its prospects for the foreseeable future in the context of this specific transaction. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

BLY has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (forward-looking financial information) prepared by the Management. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, BLY remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, however we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report and corresponds with a period of significant volatility in global financial markets

and widespread macro-economic uncertainty associated with the COVID-19 pandemic. To the extent possible, we have reflected these conditions in our opinion. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively.

We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

7 Company overview

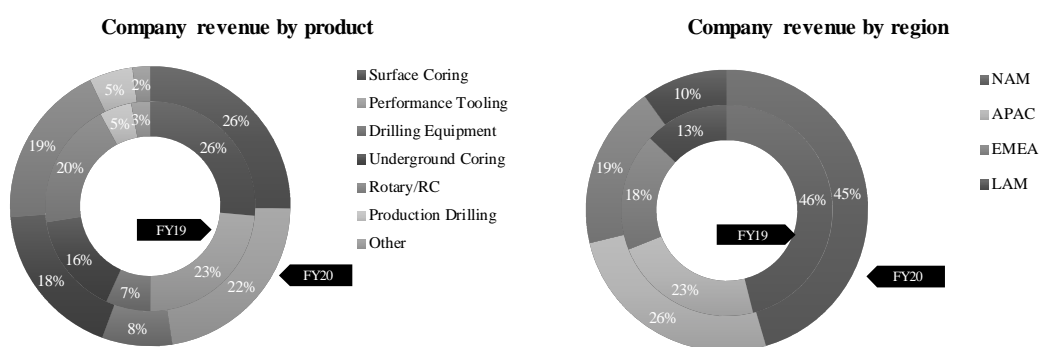
7.1 Overview

BLY is a leading provider of drilling services, drilling equipment and performance tooling for mining and drilling companies, with more than 130 years of expertise in the mineral drilling market. The Company also provides aftermarket parts and services, energy drilling, oil sands exploration and production drilling. BLY comprises of two main operating divisions: global drilling services (Drilling Services) and global products (Products), which are discussed in further detail below. The integrated business model of providing both drilling services and drilling products globally gives BLY the ability to integrate knowledge gained from both divisions into the development of new products and improve its drilling services offering.

BLY operates across four regions: Asia Pacific (APAC), North America (NAM), Europe, the Middle East and Africa (EMEA), and Latin America (LAM). In FY20, operations in the NAM region accounted for 44.3% of the Company's total revenue, followed by APAC with 25.9%, EMEA with 19.5% and LAM with 10.2%.

A split of BLY's revenue by product and geographic region for FY19 and FY20 is shown below.

Figure 2: BLY's revenue by product and region



Source: BLY investor presentation for FY20 and FY19.

7.2 Recent developments

BLY operates a business that can be highly cyclical and typically follows major trends within the mining industry. The mining industry has had five industry cycles since 2000⁷ and going forward, similar cyclicity and greater volatility within cycles are expected by market participants as they face challenges in relation to financing, volatile share prices and cyclical capital expansion. In addition, the exploration,

⁷ Through-cycle investment in mining, McKinsey & Company, 8 July 2020

mining, and construction markets were materially impacted by restrictions imposed as a result of the COVID-19 pandemic.

The revenue and earnings of BLY are linked to commodity prices. Since the onset of the COVID-19 pandemic in early 2020, the decline in customer demand, disrupted global supply chains and market volatility led to a significant decline in commodity prices. In a declining commodity pricing environment mining companies typically cancel or defer capital expenditure and exploration projects to focus on cost reductions and capital allocations, resulting in a reduction in global mining exploration activity and mining investments. The trend in decreased mining exploration is expected to reverse going forward, with commodity prices predicted to continue to appreciate, encouraging stronger mining investment and mining services expenditure in FY21 as noted in Appendix 5.

The percentage utilisation of operating drilling rigs in Drilling Services can be seen as an economic indicator for the performance of the division. During FY20, BLY's operating rig utilisation rate was approximately 37%, a decrease from 41% in FY19 and 46% in FY18. Comparatively, at the top of the cycle, the percentage utilisation was approximately 55.0% to 65.0%.

For Products, order backlog can be seen as an economic indicator. Average backlog increased 6.5% from FY18 to FY19, and 13.1% from FY19 to FY20. An increase in backlog reflects increased demand for drilling products. This measure also acts as a good leading indicator for future increases in volume for Drilling Services, as mining businesses increase drilling inventory in expectation of higher workflow.

In response to the continued downturn and challenging capital structure, BLY continued to position the business to operate more efficiently across all phases of the mining cycle. Following a strategic review of the business and in order to achieve cost saving, BLY committed to undertaking the following key initiatives:

- controlling sales, general and administrative costs (SG&A) and other overhead related costs
- optimising the commercial organisation to drive value through the contracting and pricing processes
- leveraging the supply chain function across the business, and
- focusing on operational efficiencies and productivity at the drill rig level and across the global organisation.

These initiatives resulted in reduced overall expenditure of approximately US\$60.9 million in FY20.

Going forward, BLY will focus on the following initiatives to improve business performance:

- maintaining and improving safety and compliance to reduce job related injuries and protect against potential safety risks
- focusing on expanding mining and mineral drilling customer bases by aiming to improve efficiency, productivity and commercial practices
- fostering strong customer relationships and carefully managing pricing and contract terms
- balancing investing in new products that respond to customer needs, whilst also managing capital expenditure, and
- improving cash generation through effective liquidity and cost management.

Strategically, BLY intends to focus on increasing data acquisition at drilling rigs for processes such as core orientation, core logging, survey and assay. This subsurface resource data can then be sent back to

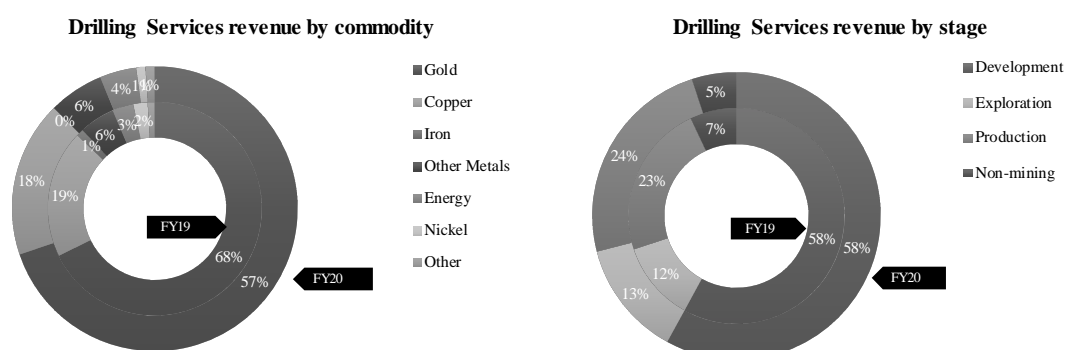
customers in an instantaneous, low-cost and user-friendly manner through the Geological Data Services business, a segment of the Products business.

7.3 Drilling Services

Drilling Services provides a broad range of drilling services to mining and energy companies, water utilities, geotechnical engineering firms, government agencies and other mining services companies in approximately 22 countries. The division primarily offers drilling services for commodities such as gold, copper, and nickel, as well as for the exploration and development of non-conventional energy sources such as oil shale, oil sands, coal, coal seam gas and geothermal energy. BLY specialises in a range of drilling services technology, including surface and underground diamond core drilling, underground percussive drilling, sonic drilling, surface rotary drilling, surface geotechnical drilling, and surface and underground reverse circulation drilling.

An analysis of Drilling Services revenue by commodity and stage for FY19 and FY20 is shown below.

Figure 3: Drilling Services revenue by commodity and stage



Source: BLY investor presentation for FY20 and FY19.

Drilling Services provides services to major and intermediate mining companies which represented 89% of revenues during FY20, with no single contract contributing more than 10% of the consolidated revenue. Major customers during FY20 included, but were not limited to, AngloGold Ashanti Limited, Barrick Gold Corporation, Newmont and Rio Tinto Ltd.

Drilling Services operates in the greenfield, development and production stages of the mining cycle, with the development and production stages generating the majority of revenue. In FY20, Drilling Services revenue, which accounted for approximately 69% of the Company's revenue, decreased by 11.6% to US\$456.3 million. This decrease was primarily driven by volume reduction due to the COVID-19 pandemic impacts through the second and third quarters as governments and customers restricted activities while developing safe work practices to protect employees.

The recovery from the COVID-19 pandemic restrictions in Canada, Australia, Asia and Africa was faster than in the United States, Chile, and Argentina. The majority of revenue lost was attributable to these three countries, which was partially offset by cost reductions implemented as part of the COVID-19 pandemic management plan. Prices observed were broadly in line with prior year with changes in foreign exchange rates resulting in a US\$0.5 million decrease in revenue in FY20 compared to FY19.

With recent increases in commodity prices along with stronger product sales, which act as a leading indicator for increased volume in Drilling Services, there is an opportunity for revenue to grow in the near future. However, low rig utilisation rates have caused an oversupply of rigs in the market, creating a

highly competitive environment resulting in price and margin pressures. As such, the Company has continually sold excess rigs and ancillary equipment over the last five to six years. During FY20, the Company had an average of 683 drilling rigs deployed globally and an average rig utilisation of 37%, this compares to 921 drilling rigs in FY15 and an average rig utilisation of 36%.

7.4 Products

Products, designs, manufactures and sells a range of drilling equipment and performance tooling, including wireline core extraction systems, drilling rigs, diamond drill bits and drill rods for mine development, mine production and environmental and infrastructure drilling. The Company offers these products to environmental, mining, resources, infrastructure, and energy industries. Its coring tools include conventional diamond drill and advanced wireline coring systems used in minerals drilling.

Products predominantly sells exploration tooling and production tooling to drilling services contractors and mining companies.

Overall, Products accounted for 30.0% of the Company's total revenue during FY20. The division carries significant inventory levels, which have decreased year on year as management continues to improve inventory metrics and reevaluate key assumptions in the calculation of allowance for excess or obsolete inventory. As at 31 December 2020, inventory levels remained high as a percentage of revenue at 24.1%, with a decrease of only 2.9% from FY19 to FY20. Notwithstanding the 13.1% increase in average backlog from FY19 to FY20, there was sufficient inventory on hand to fill most customer demand at 31 December 2020.

During FY20, revenue from Products decreased by 9.9% to US\$257.4 million. This decrease was mainly due to the COVID-19 pandemic impacted volume losses and unfavourable currency translations. Specifically, revenue generated from capital equipment, spares, and production tooling were key contributors to the lower revenue in FY20 relative to prior period.

Upon elimination of the impacts mentioned, the Products business posted modest growth with a backlog of product orders valued at US\$44.6 million at 31 December 2020, representing a year-on-year (YoY) increase of 24.2% compared to \$35.9 million at 31 December 2019. Furthermore, the segment profit increased by 12.3% to US\$16.4 million compared to FY19. Management believe the growth is underpinned by an increase in demand for consumables during the year and it is expected to continue growing over FY21.

BLY's research and development (R&D) activities focus on the development, design and testing of new and improved products. The Company works in co-operation with customers to identify issues and develop technical solutions. During FY20, the Company launched one new product and as at 31 December 2020, the Company had 408 issued patents, 428 registered trademarks, 131 pending patent applications and 13 pending trademark applications. The quality of BLY's drilling equipment continues to act as a barrier to competitors from low cost countries entering the market (such as China and India), as the product quality, performance and safety standards of the Company's products are superior, particularly in the high-end hard rock deep drilling market.

8 Financial overview

8.1 Going concern basis

BLY's financial reports for FY20 were prepared by management on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities



Boart Longyear
Independent Expert Report
24 July 2021

in the ordinary course of business. In this regard, the Directors highlight the following risks which give rise to material uncertainty:

- the Company incurred a net loss after tax of US\$98.8 million (FY19: US\$56.6 million)
- the Company had net liabilities of US\$469.4 million (FY19: US\$382.2 million), and
- based on internal projections difficulties may arise in complying with the financial covenants and terms under the amended credit facility agreement in the absence of improved mining market conditions and financial performance of the Company.

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
- 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.

Notwithstanding the above, the Directors believe that 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.

8.2 Financial performance

The historical consolidated financial performance of BLY for FY18, FY19 and FY20 are summarised below.

Table 1: Financial performance

Period	FY18	FY19	FY20
US\$ million unless otherwise stated	Audited	Audited	Audited
Revenue	770.2	745.0	657.3
Cost of goods sold	(639.1)	(606.3)	(559.8)
Gross margin	131.1	138.7	97.5
Other income	10.4	6.8	5.8
General and administrative expenses	(44.0)	(43.6)	(28.9)
Sales and marketing expenses	(22.1)	(20.3)	(17.0)
Other expenses	(21.1)	(15.0)	(17.1)
EBITDA	54.2	66.5	40.3
Depreciation and amortisation	(36.6)	(39.3)	(41.0)
EBIT	17.6	27.2	(0.7)
Interest income	0.9	0.1	0.0
Finance costs	(69.5)	(75.4)	(92.9)
Profit / (loss) before taxation	(51.0)	(48.2)	(93.5)
Income tax expense	7.5	(8.5)	(5.3)
Profit / (loss) after tax attributable to equity holders of the parent	(43.5)	(56.6)	(98.8)
Basic (loss) earnings per share (cents)	(52.9)	(64.6)	(112.3)
Diluted (loss) earnings per share (cents)	(52.9)	(64.6)	(112.3)
Financial metrics:			
Revenue growth	-	(3.3)%	(11.8)%
Gross margin	17.0%	18.6%	14.8%
EBITDA margin	7.0%	8.9%	6.1%
EBIT margin	2.3%	3.6%	(0.1)%
COGS as a % of revenue	(83.0)%	(81.4)%	(85.2)%
Operating expenses as a % of revenue	(11.3)%	(10.6)%	(9.6)%
Profit / (loss) after tax margin	(5.7)%	(7.6)%	(15.0)%

Source: BLY financial report for FY20 and FY19, and KPMG Corporate Finance Analysis.

Note 1: FY18 results do not reflect the impact of AASB 16 – Leases, which was adopted as of 1 January 2019.

With regard to the historical financial performance summarised above, we note the following:

- as the mining and resources markets have contracted, FY20 revenue of US\$657.3 million decreased by 11.8%, compared to FY19 revenue of US\$745.0 million. In relation to the revenue impact of the business divisions, we note the following:
 - FY20 revenue from Drilling Services decreased by 11.6% to US\$456.3 million compared to FY19 primarily due to the pause in activities imposed by governments and customers due to the outbreak of the COVID-19 pandemic, and weak sentiment in the global mining industry

- FY20 revenue from Products decreased by 9.9% to US\$257.4 million compared to FY19, primarily due to the COVID-19 pandemic impacted volume losses and unfavourable currency translations
- BLY implemented its business continuity plan in light of the COVID-19 pandemic, including measures required to protect health and well-being of employees while ensuring ongoing operational sustainability, ceasing all non-essential international and domestic travel, as well as conserving cash by enforcing temporary salary reductions and amending the terms of the Company's Senior Secured Notes to satisfy interest payments due
- as a result of the saving initiatives implemented during the early stages of the COVID-19 pandemic to combat the decline in revenues, expenses comprising Cost of Goods Sold (COGS) and SG&A totalled US\$646.6 million in FY20, representing a 9.6% decrease compared to FY19. Refer to Section 7.2 for further details on the cost saving initiatives
- the adjusted EBITDA is not shown in the table above as it is not a comprehensive representation of all the significant transactions the Company recognised throughout the year. For instance, the adjustments include government aid received throughout the business for the COVID-19 pandemic relief and gains from sales of assets, but exclude costs incurred to quarantine crews unable to work as a result of the COVID-19 pandemic, contract termination costs, legal fees and indirect tax write-offs. Further, the adoption of AASB 16 improves EBITDA in FY19 by US\$9.2 million relative to FY18 (as lease payments are no longer deducted above the EBITDA line but are substituted with deductions for right of use (ROU) asset depreciation and interest below the EBITDA line). During the period FY18 to FY20, the Company incurred the following extraordinary expenses:

Table 2: Adjusted EBITDA

Period	FY18	FY19	FY20
US\$ million unless otherwise stated	Reviewed	Reviewed	Reviewed
EBITDA	54.1	66.5	40.3
Impairments			
Property, plant and equipment	0.1	0.2	8.3
Intangible assets	-	9.0	0.5
Inventories	10.9	0.8	5.0
Employee and related costs	2.6	1.7	1.3
Legal provisions	-	2.6	-
Other restructuring expenses	12.9	6.2	4.7
Onerous lease	-	0.3	-
Total of significant and non-recurring items	26.5	20.8	19.8
Adjusted EBITDA	80.6	87.3	60.1

Source: BLY financial report for FY20 and FY19, and KPMG Corporate Finance Analysis.

Note 1: EBITDA is defined as earnings before interest, tax, depreciation and amortization.

Note 2: Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of the business.

- over the period FY18 to FY20, COGS were impacted by the ongoing cost reduction actions implemented by management and its decline was broadly in line with that of revenue. COGS decreased as a percentage of revenue from 83.0% in FY18 to 81.4% in FY19. However, due to the impact of the COVID-19 pandemic on the Company's revenue performance, revenue generated in FY20 decreased to a greater extent relative to COGS, resulting in COGS as a percentage of revenue

of 85.2% in FY20. In absolute terms, COGS decreased by 5.1% to US\$606.3 million in FY19, and 7.7% to US\$559.8 million in FY20

- cost reduction measures implemented by management include reducing the SG&A run rate of both business divisions. SG&A expenses are classified in the statement of financial performance as ‘general and administrative expenses’ and ‘sales and marketing expenses’. During FY20, BLY realised additional cost savings of approximately US\$16.4 million or 15.9%, reducing FY20 SG&A expenses to US\$86.9 million compared to FY19 (FY19: US\$0.6 million or 0.5% in additional cost savings, reducing SG&A expenses to US\$103.3 million from FY18)
- other expenses increased from US\$15.0 million to US\$17.1 million during FY20. These expenses primarily related to foreign exchange changes and impairment charges
- finance costs during FY20 increased by 23.2% to US\$92.9 million from US\$75.4 million in FY19, primarily due to an increase in interest on loans and bank overdrafts, partially as a result of the amendment for interest payments to be made in payment in kind (PIK) instead of cash, and
- income tax expenses of US\$5.3 million for FY20 decreased by 37.9% from FY19. Refer to Section 11 for further details on BLY’s tax position as at 31 December 2020.

On 29 April 2021, BLY announced its results for the first quarter ended 31 March 2021, noting the improvement in the level of exploration and mining activity, which was last experienced prior to 2014. Revenue generated in the quarter increased by US\$38 million (or 22%) compared to the quarter ended 31 March 2020 and adjusted EBITDA increased by US\$17 million (or 189%), driven by the increased demand for products and services, along with ongoing cost management and productivity improvements. The net loss after tax has also decreased by US\$15 million compared to the quarter ended 31 March 2020.



8.3 Financial position

The historical consolidated financial position of BLY as at 31 December 2018, 31 December 2019, and 31 December 2020 are summarised below.

Table 3: Financial position

As at	31 Dec 2018	31 Dec 2019	31 Dec 2020
US\$ million unless otherwise stated	Audited	Audited	Audited
Current assets			
Cash and cash equivalents	38.9	20.2	23.5
Trade and other receivables	119.6	113.7	109.6
Inventories	165.4	163.1	158.3
Current tax receivable	0.3	2.5	0.5
Prepaid expenses and other assets	12.8	13.6	10.1
Assets classified as held for sale	0.5	-	0.4
Total current assets	337.5	313.1	302.4
Non-current assets			
Property, plant and equipment	114.1	165.0	152.0
Goodwill	103.9	104.5	105.1
Other intangible assets	37.8	27.6	31.6
Deferred tax assets	20.7	16.9	13.3
Non-current tax receivable	16.3	10.8	1.6
Other assets	7.0	4.0	3.8
Total non-current assets	299.7	328.8	307.2
Total assets	637.2	642.0	609.6
Current liabilities			
Trade and other payables	105.0	111.1	98.0
Provisions	19.9	14.4	13.9
Current tax payable	8.7	5.4	8.3
Loans and borrowings	1.2	8.3	10.2
Total current liabilities	134.8	139.3	130.4
Non-current liabilities			
Loans and borrowings	720.3	793.4	868.3
Deferred tax liabilities	17.5	16.9	18.7
Provisions	79.5	74.5	61.6
Total non-current liabilities	817.2	884.8	948.6
Total liabilities	952.0	1,024.1	1,079.0
Net assets	(314.9)	(382.2)	(469.4)
Equity			
Share capital	1,468.8	1,468.8	1,469.4
Reserves	(116.2)	(117.8)	(117.6)
Other equity	(137.2)	(137.2)	(128.8)
Retained earnings/(Accumulated losses)	(1,532.7)	(1,595.6)	(1,692.9)
Non-controlling interest	2.4	(0.4)	0.5
Total equity	(314.9)	(382.2)	(469.4)
Calculation of debtor and creditor days			
Debtor days ¹	56.7	55.7	60.8
Creditor days ¹	60.0	66.9	63.9
Statistics			
Number of securities on issue (million) ²	26,296.2	87.7	88.5
NA per securities (US\$) ³	(0.01)	(4.4)	(5.3)
NTA per securities (US\$) ⁴	(0.01)	(2.9)	(3.8)
Gearing ⁵	-216.8%	-204.5%	-182.2%

Source: BLY financial report for FY20 and FY19, and KPMG Corporate Finance Analysis.

Note 1: Based on 365 days in a year.

Note 2: On 30 October 2019, BLY completed a consolidation of the Company's issued capital on a basis that every 300 shares be consolidated into 1 share.

Note 3: NA per security calculated as net assets divided by the number of securities on issue at period end.

Note 4: NTA per security calculated as net tangible assets divided by the number of securities on issue at period end.

Note 5: *Gearing is calculated based on net debt divided by total equity.*

Note 6: *FY18 results do not reflect the impact of AASB 16 – Leases, which was adopted as of 1 January 2019.*

With regard to the historical financial position summarised above, we note the following:

- as a result of an increased use of cash in operating activities in FY20 offset by a reduction in cash interest paid during the year, cash and cash equivalents increased by US\$3.3 million, or 16.2%, to US\$23.5 million as at 31 December 2020. Included in this balance is US\$7.6 million relating to cash interest paid, as well as US\$0.2 million of restricted cash that cannot be accessed until certain conditions, pertaining to both the asset-based revolver bank loan (ABL) and secure facility leases, are met
- inventories decreased by US\$4.8 million, or 2.9% to US\$158.3 million as at 31 December 2020. The reduction primarily related to inventory saving initiatives implemented by management, and the impacts of a change in key assumptions used to estimate the allowance for excess or obsolete inventory. The change in estimate was a result of the decline in the demand for products and consumables used in the Drilling Services business, the high inventory balances across the Company, and the reduced speed at which inventory was turning in the current market. This resulted in an increase in obsolescence expense of US\$5.0 million recognised in FY20
- as at 31 December 2020, the income tax receivable (US\$2.1 million) was classified as US\$0.5 million of current tax receivables and US\$1.6 million as non-current tax receivable. In addition, the Company has accounted for the potential tax payable arising from audits by the Canadian Revenue Authority (CRA) in its provisions, which is discussed further in Section 11
- in response to challenging market conditions, the Company classified certain excess rigs and ancillary equipment that were underutilised, totalling US\$0.4 million, as assets held for sale as at 31 December 2020. We note that as of April 2021 the company had sold some of the assets held for sale, which resulted in a reduced balance of US\$0.3 million as at the date of this report.
- as at 31 December 2020, the net value of property, plant and equipment (PP&E) decreased by US\$13.1 million, or 7.9% to US\$152.0 million from 31 December 2019. The decrease related to depreciation expenses of US\$37.6 million, disposals of US\$3.6 million, and impairment charges of US\$8.3 million. These decreases were partially offset by US\$4.4 million in foreign currency movements and current year additions of US\$32.1 million
- as of 1 January 2019, the Company adopted AASB 16 and reflected leased assets under PP&E, whilst PP&E balances as at 31 December 2018 include lease accounting under guidance in IAS 17, classifying agreements as finance leases or operating leases. As at 31 December 2020, the Company had ROU assets with a net book value of US\$31.9 million and corresponding lease liabilities of US\$36.6 million, compared to US\$35.6 million and US\$36.6 million as at 31 December 2019
- the Company identified the global economic impact of the COVID-19 pandemic as a potential indicator of impairment, and accordingly impairment charges of US\$6.8 million against PP&E in the Latin America Drilling Services cash generating unit (CGU) were recorded and recognised in other expenses. Utilisation rates lower than current levels could lead to further future asset impairments
- the carrying balance of other intangible assets increased by US\$3.9 million to US\$31.6 million as at 31 December 2020, due to additions of US\$7.0 million and foreign currency exchange differences of US\$0.9 million, which were partially offset by amortisation of US\$3.4 million, impairment charges of US\$0.5 million and disposals of US\$0.1 million



- deferred tax assets (DTAs) as at 31 December 2020 decreased by 21.5% to US\$13.3 million from 31 December 2019
- total assets as at 31 December 2020 decreased by US\$32.3 million, or 5.0% to US\$609.6 million. The reduction is primarily a result of impairment of PP&E, reductions in tax receivables and a decrease in working capital balances offset by increases in intangible assts and cash
- trade and other payables as at 31 December 2020 decreased by US\$13.1 million, or 11.8% to US\$98.0 million. Despite the creditor days figure increasing to approximately 61 days at 31 December 2020 (31 December 2019: approximately 56 days), a lower level of manufacturing activity and continued focus on cost control led to the resultant decrease in trade and other payables. Further, accrued legal and environmental costs of US\$5.3 million as at 31 December 2020 were reclassified from trade and other payables to provisions
- provisions as at 31 December 2020 decreased by US\$13.5 million, or 21.3%, to US\$75.5 million as compared to 31 December 2019. This decrease is primarily the result of decreases in provision for tax contingencies, pension and post-retirement benefits, restructuring and termination costs. This was partially offset by an increase in the provision for employee benefits and legal contingencies. Provisions of US\$89.0 million as at 31 December 2019 decreased by 10.4% from US\$99.4 million as at 31 December 2018. These balances were primarily made up of provisions for tax contingencies and employee provisions, including pension and post-retirement benefits, annual leave, long service leave and bonuses
- as at 31 December 2020, the current tax payable of US\$10.2 million related primarily to income tax payable, as well as other tax related expenses, attributable to BLY and entities in the consolidated group, and
- loans and borrowings as at 31 December 2020 totalled US\$878.6 million and increased by US\$76.9 million during FY20, primarily driven by accredited interest for the period. See Section 10.1 for further detail.

8.4 Statement of cash flows

The historical consolidated statement of cash flows of BLY for FY18, FY19 and FY20 are summarised below.

Table 4: Statement of cash flows

For	FY18	FY19	FY20
US\$ million unless otherwise stated	Audited	Audited	Audited
Cash flow from operating activities			
Profit / (loss) for the year	(43.5)	(56.6)	(98.8)
<i>Adjustments provided by operating activities:</i>			
Income tax expense recognised in profit	(7.5)	8.5	5.3
Finance costs recognised in profit	69.5	75.4	92.9
Depreciation and amortisation	36.6	39.3	41.0
Interest income recognised in profit	(0.9)	(0.1)	(0.0)
Other non-cash items	(17.1)	(6.6)	12.5
Impairment of current and non-current assets	11.5	10.0	8.8
Loss (gain) on sale or disposal of non-current assets	(7.8)	(3.2)	(2.0)
Non-cash foreign exchange loss (gain)	2.1	(0.2)	1.6
Shares issued	-	-	0.3
Shares issued to directors	0.02	-	0.3
<i>Changes in net assets and liabilities, net of effects from acquisition and disposal of</i>			
Trade and other receivables	3.0	2.2	5.3
Inventories	4.0	6.4	(3.8)
Other assets	(1.0)	1.2	0.1
Trade and other payables	(18.9)	7.8	(9.0)
Provisions	(5.8)	(7.1)	3.1
Cash generated from operations	24.1	77.0	57.6
Interest paid	(6.1)	(30.8)	(7.6)
Interest received	0.9	0.1	0.0
Income taxes (paid) / received	(15.2)	(10.9)	(0.6)
Net cash flows from operating activities	3.7	35.3	49.4
Cash flows from investing activities			
Purchase of property, plant and equipment	(37.1)	(47.1)	(25.1)
Proceeds from sale of property, plant and equipment	13.7	5.8	5.2
Intangible costs paid	(2.0)	(3.6)	(7.0)
Net cash flows used in investing activities	(25.4)	(44.9)	(26.9)
Cash flows from financing activities			
Payments for debt issuance costs	-	(1.4)	(0.2)
Proceeds from borrowings	16.7	31.4	62.5
Repayment of borrowings	(5.3)	(40.9)	(81.3)
Net cash flows provided by / (used in) financing activities	11.3	(11.0)	(18.9)
Net increase/(decrease) in cash held	(10.0)	(20.5)	3.5
Cash and cash equivalents at the beginning of the year	43.8	38.9	20.2
Effects of exchange rate changes on opening cash brought forward	5.2	1.8	(0.2)
Cash and cash equivalents at the end of the year	38.9	20.2	23.5

Source: BLY financial report for FY20 and FY19, and KPMG Corporate Finance Analysis.

Note 1: FY18 results do not reflect the impact of AASB 16 – Leases, which was adopted as of 1 January 2019.

With regard to the historical statement of cash flows summarised above, we note the following:

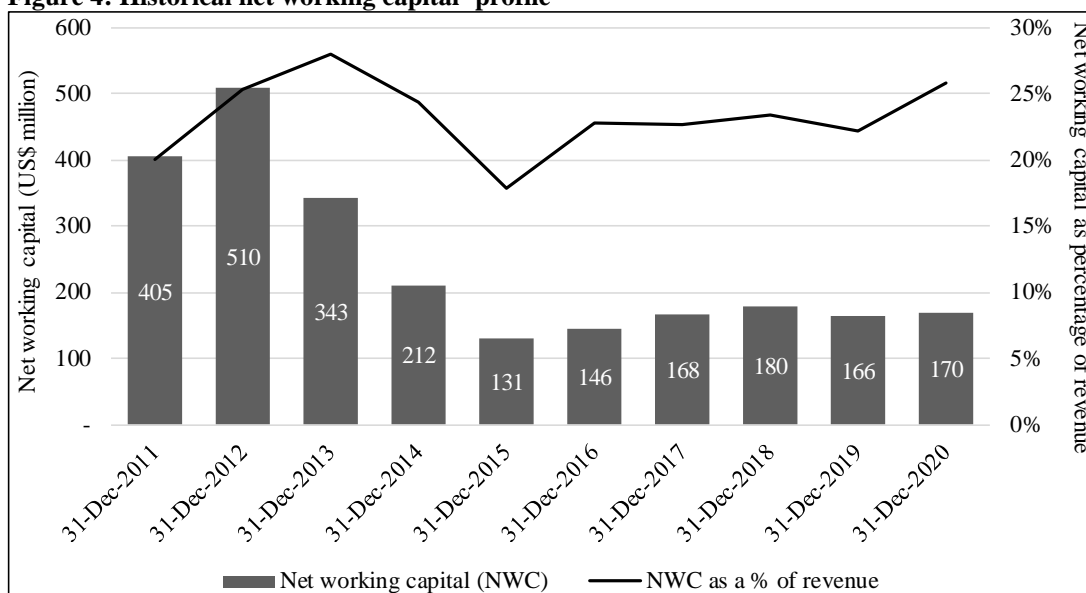
- as at 31 December 2020, net operating cash flows was US\$49.4 million (FY19: US\$ 35.3 million), representing an improvement of US\$14.1 million over FY19. This improvement primarily reflects the successful conversion of the 2020 interest instalments for debt from payment in cash to PIK, as well as a number of long-term initiatives implemented to decrease working capital needs, and improve productivity and capital management. The Company also received US\$6.2 million in funds under the Canada Employee Wage Subsidy program for the COVID-19 pandemic relief

- capital expenditures reduced from the outlay of US\$47.1 million in FY19 to US\$25.1 million in FY20, primarily due to a lower amount of investment of US\$32.1 million (FY19: US\$50.7 million) in capital equipment and R&D as the Company continued to conserve cash during the COVID-19 pandemic. The investments were made to support existing operations during FY20 and prepare the Company for the expected increase in demand in FY21. The capital expenditures incurred in FY20 were partially offset by proceeds from the sale of PP&E of US\$5.2 million in FY20, which was broadly in line with the amount of US\$5.8 million in FY19, and
- during FY20, the Company recorded US\$18.9 million in net cash flows from financing activities compared to US\$11.0 million in FY19. The difference is primarily due to higher repayment of borrowings and lease facilities, partially offset by higher proceeds from borrowings. In comparison, proceeds from borrowings in FY19 were US\$31.4 million.

9 Working capital

The historical NWC balances of BLY are illustrated in the graph below.

Figure 4: Historical net working capital¹ profile



Source: BLY financial reports for FY12, FY13, FY14, FY15, FY16, FY17, FY18, FY19 and FY20.

Note 1: Calculation for net working capital = Trade and other receivables + Inventories – Trade and other payables.

With regard to the historical NWC above, we note the following:

- NWC increased by US\$105 million from 31 December 2011 to 31 December 2012 due to significant build-up of inventories and equipment over the period
- NWC has been steadily declining since FY12 as the Company focused on carefully managing working capital levels to ensure that inventory is sufficient to meet demand but is not obsolete
- consolidation and integration of inventory management and supply chain functions combined with lower revenues has reduced the working capital requirements. The slight increase in net working capital from US\$131.0 million at 31 December 2015 to US\$146.0 million at 31 December 2016 was due to a decrease in trade and other payables as opposed to an increase in inventories or receivables. NWC increased in the beginning of 2017 with improving market conditions

- as a percentage of revenue NWC peaked in FY13 at 28.0% as revenue dropped significantly by 39.2% from FY12 to FY13. As NWC management initiatives were put in place NWC as a percentage of revenue has followed a downward trend, before increasing slightly in FY16 due to a decrease in revenue and a corresponding decrease in trade payables, then remained broadly consistent throughout FY17 to FY19. As at 31 December 2020, NWC as a percentage of revenue had increased from 22.2% at 31 December 2019 to 25.8%, primarily due to a decrease in revenue only partially offset by corresponding lower trade receivables and inventories and lower trade payables, and
- the majority of the Company's working capital is cyclical, with the balance decreasing towards the first and fourth quarters of the calendar year. The cyclicity is primarily influenced by the seasonality in the mining and resources industry where shutdowns by mining companies at year end reduce mining activity and hence the demand for drilling services. A portion of the Company's working capital is counter cyclical as exploration drilling services provided to the oil & gas sector are traditionally provided during the second and third quarters of the year.

10 Liquidity and debt facilities

10.1 Debt facilities

BLY's debt facilities as at 31 December 2020 are summarised below.

Table 5: Debt facilities as at 31 December 2020

US\$ million unless otherwise stated	Total facilities	Amount drawn	Available facility ¹	Interest Rate	Maturity
Senior Secured notes	217.0	217.0	-	Variable ²	Dec-22
Senior Unsecured notes	88.9	88.9	-	1.5% ³	Dec-22
Term Loan - Tranche A	132.5	132.5	-	8.0% ⁴	Dec-22
Term Loan - Tranche B	159.9	159.9	-	8.0% ⁴	Dec-22
ABL ¹	75.0	23.0	17.9	Variable ⁵	Jul-22
Backstop ABL	45.0	45.0	-	11% ⁶	Oct-22

Source: BLY financial report for FY20 and FY19.

Note 1: Outstanding letters of credit and other facility specific restrictions as at 31 December 2020 reduce the amount of funds available to be drawn from the ABL. This is explained in further detail below.

Note 2: Interest is PIK from 1 January 2020 to 30 June 2020 at an interest rate of 12.0%. Interest is PIK 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% p.a. from 1 January 2021. The effective interest rate on a go-forward basis is 14.4%. US\$0.6 million of senior secured notes is subject to interest in cash at an interest rate of 10% p.a.

Note 3: Interest is 1.5% PIK at the Company's election until maturity.

Note 4: Interest is 8% PIK.

Note 5: Applicable interest rates for the ABL are based on a base rate plus a margin, where:

- base rate = US dollar LIBOR or prime rate determined by the Bank of America.

- margin = based on leverage according to a pricing grid.

Note 6: Interest is PIK at 11% at the Company's election or 10% cash. Maturity date is October 2022 or 90 days after the ABL due date.

With regard to the debt facilities above, we note the following:

- the Company had US\$217.0 million of senior secured notes outstanding as at 31 December 2020. These notes carried an interest rate of 10.0% p.a. and a maturity date of December 2022. On 19 June 2020, the Company reached an agreement with the relevant noteholders and the ASX to satisfy the

interest payments due in respect of the notes on 30 June 2020 and 31 December 2020 by way of PIK instead of cash. The senior secured notes include a premium which is expressed as a percentage of the principal redeemed or repaid and includes PIK interest. The premium is payable at the maturity of the notes due in December 2022, as well as in circumstances whereby the notes are redeemed prior to maturity, and the premium percentage increases over time from 0.9% to 24.4% of the principal balance, subject to the timing of repayment. The debt modification, stated terms and applicable premium result in an effective interest rate on the notes is 14.4% p.a.

- the Company had US\$88.9 million of senior unsecured notes outstanding as at 31 December 2020. These notes have an applicable interest rate of 1.5% p.a. in PIK and mature in December 2022
- the Term Loan facility has an interest rate of 8.0% payable-in-kind and is structured into Term Loan A and Term Loan B. As at 30 December 2020 Term Loan A had principal outstanding of US\$132.5 million maturing in December 2022, and Term Loan B had principal outstanding of US\$159.9 million maturing in December 2022
- the Company had an ABL with an available facility of US\$75.0 million as at 31 December 2020. Letters of credit of US\$5.8 million were drawn under the facility in addition to an outstanding amount of US\$23.0 million, reducing remaining funds available through this facility
 - the facility has an ‘availability block’ of US\$10.0 million, which releases when the Company achieves certain net debt to EBITDA leverage ratios
 - the borrowing on this facility is limited to the lower of the lender’s commitment or the ‘borrowing base’ that supports the ABL. As at 31 December 2020, the borrowing base was US\$55.0 million, which reduced collateral availability by US\$10.0 million
 - the facility is subject to a minimum liquidity requirement of 15% of the lesser of ‘borrowing base’ or ‘facility capacity’ less the ‘availability block’ on the last day of any month. As at 31 December 2020, the minimum liquidity requirement was US\$8.3 million
 - the amount of funds available to be drawn from the ABL as at 31 December 2020 was US\$17.9 million, as summarised in the following table

Table 6: Funds available at 31 December 2020

US\$ million unless otherwise stated	31-Dec-20
ABL available facility	75.0
Drawn	23.0
Letters of credit	5.8
Availability block	10.0
Borrowing base adjustment	10.0
Minimum liquidity	8.3
Undrawn amount	17.9

Source: BLY financial report for FY20.

- the ABL interest rate is based on 30-day US\$ LIBOR with the margin based on a pricing grid linked to the Company’s leverage. As at 31 December 2020, the applicable margin was 3.5% for LIBOR based loans
- the 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

- the Backstop ABL term loan facility has an interest rate of 11.0% p.a. payable-in-kind or 10.0% p.a. in cash. The facility is due to mature in October 2022 and is secured by substantially the same collateral as the ABL facility. As at 31 December 2020, the amount outstanding under this facility was US\$45.0 million
- as at 31 December 2020, accrued interest for the debt facilities was as follows:
 - Senior Secured Notes – US\$62.3 million
 - Senior Unsecured Notes – US\$4.5 million
 - Term Loan A – US\$23.1 million
 - Term Loan B – US\$27.9 million
 - Backstop ABL – US\$13.0 million.
- BLY announced its engagement with Rothschild & Co. on 7 January 2021 to support the Company's evaluation of potential options in anticipation of the maturation of the debt facilities through the second half of 2022 including for refinancing or recapitalisation.

BLY had a total amount of debt facility drawn of US\$883.2 million as at 31 March 2021. With regard to the debt facilities, we note the following:

- the Company had an ABL with an available facility of US\$75.0 million as at 31 March 2021. Letters of credit of US\$6.0 million were drawn under the facility in addition to an outstanding amount of US\$31.4 million, reducing remaining funds available through this facility. Other adjustments reducing the amount of funds available to be drawn include the ABL facility block and borrowing base availability adjustment of US\$20.8 million. As at 31 March 2021, the amount of funds available to be drawn from the ABL was US\$16.8 million
- as at 31 March 2021, accrued interest for the debt facilities was as follows:
 - Senior Secured Notes – US\$62.3 million
 - Senior Unsecured Notes – US\$4.9 million
 - Term Loan A – US\$26.3 million
 - Term Loan B – US\$31.7 million
 - Backstop ABL – US\$13.6 million.

On 8 June 2021, BLY announced the completion of its US\$65 million short-term financing implementation to ensure adequate liquidity for operations through the restructuring process, as well as the consent approval to amend its Senior Secured Notes. The additional financing is comprised of:

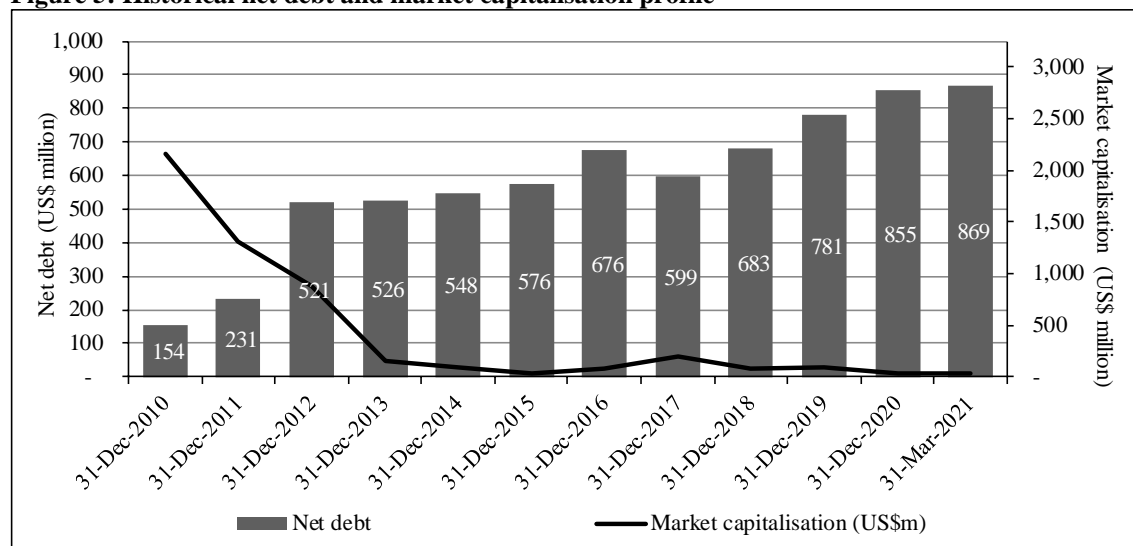
- an incremental, short-term US\$50 million credit facility with Corre, FPA and Nut Tree to provide additional working capital until the Recapitalisation and related transactions are completed, and
- an additional US\$15 million of accessible liquidity and four-year extension of the term of the ABL facility.

Further, BLY received consents from the holders of 99.75% of the Senior Secured Notes due in December 2022 to permit the Company to incur additional financial indebtedness and to satisfy the interest payments due on 30 June 2021 in respect of notes held by consenting note holders by way of PIK at the rate of 14.5%.

10.2 Historical net debt and market capitalisation profile

BLY's historical net debt⁸ and market capitalisation profile is illustrated below.

Figure 5: Historical net debt and market capitalisation profile



Source: BLY financial reports for FY12 to FY20, First Quarter 2021 Appendix 4C, S&P Capital IQ, and KPMG Corporate Finance Analysis.

In FY12, BLY geared up to increase their production capacity in line with the peak of the mining exploration cycle. However, the contraction in the exploration market post 2012 has led to customers reducing capital expenditure, resulting in lower demand for exploration drilling and expenditure, whilst underground production drilling remained relatively stable. This has produced an oversupply of drill rigs in the market, causing BLY to be impacted by low rig utilisation rates, a reduction in order backlogs and an increase in financial leverage. This has resulted in a fall in market capitalisation in line with the mining down-cycle over time. Even the demand for exploration activities at the highest point in the most recent cycle in 2018 was not enough to reduce the Company's debt significantly.

In response to the prolonged contraction in the mining market, the Company negotiated a number of amendments to its credit facilities to maintain liquidity as well as recapitalisations in FY14 and FY17 to reduce the debt amounts outstanding.

10.3 Credit rating

During the last twelve months (LTM), BLY was subject to a series of credit rating downgrades, as summarised below:

- 24 June 2020 – S&P revised the BLY's credit ratings as follows, reflecting the completion of the amendment to Senior Secured Notes due December 2022 which saw the conversion of the June 2020 and December 2020 interest payments from cash to PIK:
 - corporate credit rating downgraded from 'CCC' to 'SD' (selective default)

⁸ Net debt is calculated as gross debt less cash and cash equivalents

- rating outlook downgraded to ‘Negative’
- senior secured notes downgraded to ‘D’ with recovery rating ‘3’
- senior unsecured notes downgraded to ‘C’ with recovery rating ‘6’.
- 2 July 2020 – S&P revised the Company’s credit ratings as follows:
 - corporate credit rating reinstated from ‘SD’ to ‘CCC+’
 - rating outlook affirmed to be ‘Negative’
 - senior secured notes reinstated from ‘D’ to ‘CCC+’ with recovery rating ‘3’
 - senior unsecured notes reinstated from ‘C’ to ‘CCC-’ with recovery rating ‘6’.
- 2 July 2020 – Moody’s Investors Service (Moody’s) affirmed the Company’s credit rating as follows:
 - corporate family rating and probability of default to be ‘Caa2’
 - rating outlook to be ‘Stable’
 - senior secured notes to be ‘Caa1’
 - senior unsecured notes to be ‘Caa3’
 - speculative grade liquidity rating to be ‘SGL-3’.
- 8 March 2021 – S&P revised the Company’s credit ratings as follows:
 - corporate credit rating downgraded from ‘CCC+’ to ‘CC’
 - rating outlook moved to ‘CreditWatch Negative’
 - senior secured notes downgraded from ‘CCC+’ to ‘CC’ with recovery rating ‘4’
 - senior unsecured notes remained unchanged at ‘C’ with recovery rating ‘6’.
- 20 May 2021 – S&P revised the Company’s credit ratings as follows:
 - corporate credit rating downgraded from ‘CC’ to ‘D’
 - rating outlook removed from ‘CreditWatch Negative’
 - senior secured notes downgraded from ‘CC’ to ‘D’ with recovery rating ‘4’
 - senior unsecured notes remained unchanged at ‘D’ with recovery rating ‘6’.
- 4 June 2021 – Moody’s revised the Company’s credit ratings as follows:
 - corporate family rating and probability of default lowered to be ‘Ca’
 - rating outlook to be ‘Negative’
 - senior secured notes to be ‘Ca’
 - senior unsecured notes to be ‘C’, and
 - speculative grade liquidity rating to be ‘SGL-4’.

Further reductions in liquidity may cause additional downgrades to the Company’s corporate and debt credit ratings. However, the Company confirmed its capital restructure plans on 26 February 2021 as part

of the FY20 earnings announcement and its expectation for the Company's debt rating and outlook to improve upon successful completion of the restructuring process.

11 Tax position

In relation to BLY's tax position, we note the following:

- BLY is the head entity in the Australian tax consolidated group comprising the Australian wholly-owned entities. Under the Australian tax consolidation regime, these entities are treated as a single entity for income tax purposes
- BLY's unsettled assessments with the CRA for the years 2010 to 2014 will, if upheld, result in federal and provincial tax liabilities (including interest) approximating a maximum of CAD\$35 million in future cash outlay after the application of tax credits and payments. 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 the Company'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 and assessments have not yet been received for the tax years 2015 through 2017. While the Company 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 the Company's financial position or results of operations. Interest will continue to accrue on all disputed and unpaid amounts until they are paid, or otherwise settled, and
- BLY is also under audit by the ATO. The resolution of potential assessments by the ATO may adversely affect BLY's liquidity.

12 Capital structure and ownership

As at 31 December 2020, BLY had the following securities on issue:

- 88,511,800 ordinary shares, held by approximately 3,607 individual Shareholders, and
- 43,158 unquoted share options, held by 13 individual option holders that are not publicly traded on the ASX under the code "BLYAA". The unquoted share options do not carry rights to vote.



12.1 Ordinary Shareholders

Issued capital in BLY is listed and traded on the ASX. The table below summarises the top 20 ordinary Shareholders as at 30 June 2021.

Table 7: Top 20 Shareholders as at 30 June 2021

Shareholder	Number of ordinary shares	Percentage of issued capital
Centerbridge Credit Partners	47,189,770	53.31%
Ascribe Capital	18,308,703	20.69%
Paradise Investment Management	2,777,992	3.14%
Corre Partners	2,588,537	2.92%
Cranport	1,398,333	1.58%
Mr Zhong Wei Miao	1,249,800	1.41%
Mr Alfred Otte	1,081,735	1.22%
BLY Aus Plans Control	920,048	1.04%
Mr Allan K Clarke	605,682	0.68%
Ms Katina Riadis	450,000	0.51%
Mr Kevin McArthur	428,796	0.48%
Mr Christopher S King	405,025	0.46%
Mr Jeffrey Olsen	271,872	0.31%
Mr Jimmy Yip	270,454	0.31%
Mrs Guixing Jian	268,688	0.30%
Mr Mark A Lee	263,036	0.30%
Mr Tye Burt	260,851	0.29%
Mr James D Kern	202,602	0.23%
Russell Investments	202,444	0.23%
Dr Sow Keong Lim	200,000	0.23%
Total shares held by top 20 shareholders	79,344,368	89.64%
Other shareholders	9,167,432	10.36%
Total shares on issue	88,511,800	100%

Source: Share register analysis provided by BLY and KPMG Corporate Finance Analysis.

The top 20 registered Shareholders account for approximately 89.64% of the ordinary shares on issue.

12.2 Director's interest

As at 30 June 2021, the Directors held the following shares:

Table 8: Director's interest

Name	Position	Total interest in ordinary shares held
Kevin McArthur	Non-executive Chairman	428,796
Tye Burt	Non-executive Director	260,851
Jason Ireland	Non-executive Director	23,731
James Kern	Non-executive Director	202,602
Rubin McDougal	Non-executive Director (appointed effective 1 March 2020)	165,835
Robert Smith	Non-executive Director	23,731
Jeffrey Olsen	Executive Director	271,872
Denis Despres	Chief Operating Officer	65,778
Miguel Desdin	Chief Financial Officer	65,282
Kari Plaster	Chief Human Resources Officer	10,425
Total		1,518,903

Source: Share register analysis provided by BLY, ASX announcements

As at 30 June 2021, the Executive Director, Jeffrey Olsen, held also 1,081 outstanding share options which were vested and exercisable as of 1 April 2017 and expire on 1 April 2024.

13 Share price performance and liquidity analysis

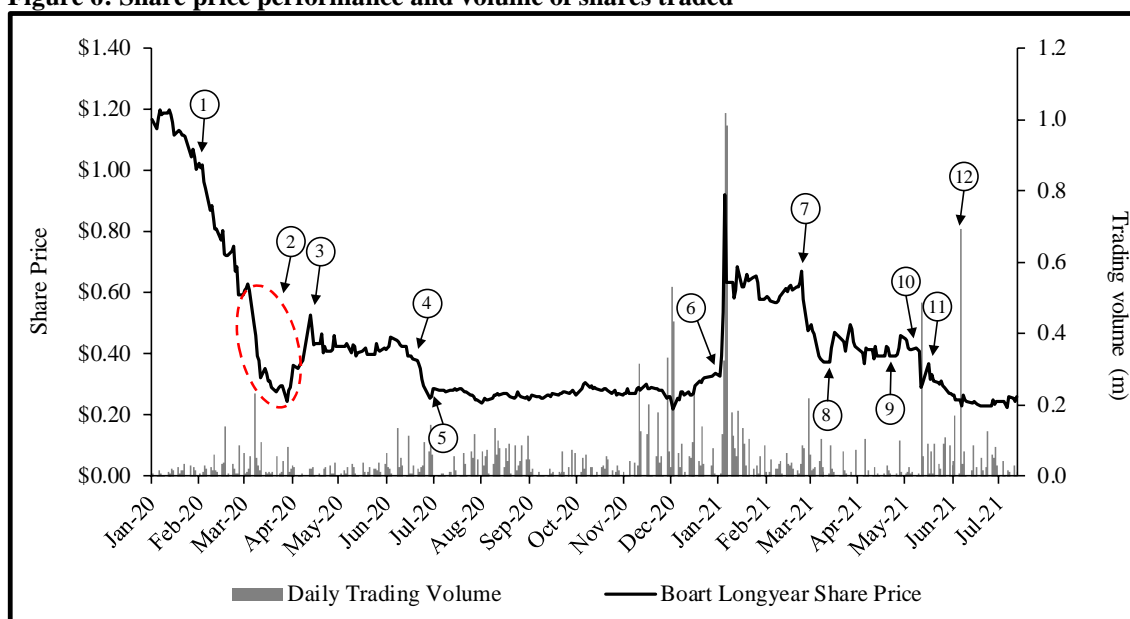
13.1 Share price performance

In assessing BLY's share price performance we have:

- analysed the price and volume performance of BLY over the period from 1 January 2020 to 14 July 2021
- compared the share price movement to the Australian All Ordinaries and Metals and Mining indices over the same period ended 14 July 2021, and
- assessed the VWAP and trading liquidity of BLY's shares for the period ending 14 July 2021.

Figure 6 depicts BLY's daily closing price on the ASX in \$ over the period from 1 January 2020 to 14 July 2021, along with the daily volume of shares traded on the ASX as a percentage of total issued capital over the period.

Figure 6: Share price performance and volume of shares traded



Source: S&P Capital IQ, KPMG Corporate Finance Analysis and ASX announcements.

As illustrated in Figure 6, BLY's closing share price and volume has remained relatively stable across the period with key movements primarily related to the release of financial reporting figures and the outbreak of the COVID-19 pandemic.

Significant announcements by BLY over the period from 1 January 2020 to 14 July 2021 that may have had an impact on its recent share price include:

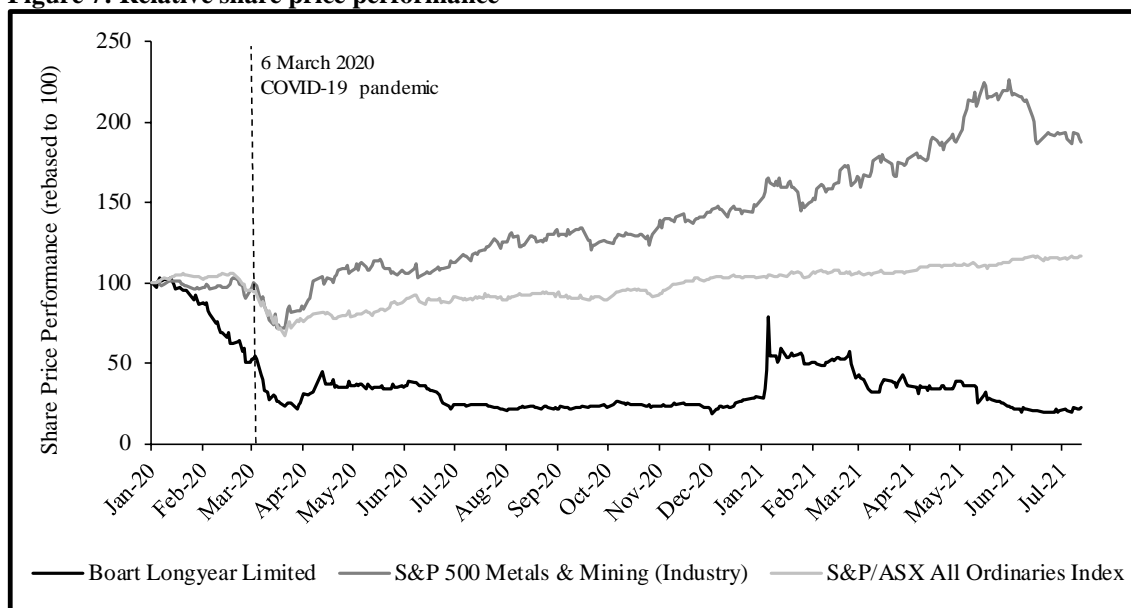
1. on 6 February 2020, BLY released its full year FY19 results update, highlighting that several significant mergers and acquisitions within the mining industry took place in the second half of 2019, resulting in delayed mineral exploration projects and a lower level of market activity. Further, the Company did not achieve the anticipated reduction to its debt-to-EBITDA ratio for FY19 as previously communicated. This announcement was followed by a decrease of 38.5% in the share price from \$0.961 to \$0.591 on 28 February 2020 when the investor presentation for FY19 results was released
2. throughout March 2020, BLY's share price declined in line with the overall share market (reflecting the early impacts of the COVID-19 pandemic) from \$0.630 on 5 March 2020 to close at a low of \$0.246 on 30 March 2020
3. on 15 April 2020, BLY released its full FY19 annual financial report, reporting a 3.2% decrease in overall revenue compared to FY18 and the Company's share price closed at \$0.481 on the same day. This announcement was followed five days later by the announcement of results for the first quarter of FY20 and its expectation that the COVID-19 pandemic would have a greater impact during the quarter ending 30 June 2020 than the first quarter. The share price closed at \$0.434 on 20 April 2020
4. on 24 June 2020, S&P revised the Company's credit ratings to reflect the completion of the amendment to the Senior Secured Notes due December 2022 which saw the conversion of the June 2020 and December 2020 interest payments from cash to PIK. The Company's share price closed at \$0.354 and further information is detailed in Section 10.3

5. on 24 July 2020, S&P reinstated the Company's credit ratings and Moody's affirmed the Company's credit ratings. The Company's share price closed at \$0.277 and further information is detailed in Section 10.3
6. on 7 January 2021, the Company announced the engagement of Rothschild & Co. as advisor to support the Company's evaluation of potential options, including refinancing and recapitalisation, in anticipation of the maturation of its debt facilities through the second half of 2022. The Company's share price closed at \$0.923 following the announcement, representing a 72.0% increase on the last sale price of \$0.537 on the previous day
7. on 26 February 2021, BLY released its full FY20 annual financial report, reporting a 11.8% decrease in overall revenue compared to FY19 and the share price closed at \$0.579 on the same day. Following the announcement, the share price decreased by 35.6% over a two-week period to close at \$0.373 on 11 March 2021
8. on 8 March 2021, S&P downgraded the Company's credit ratings and the share price closed at \$0.395. Further information is detailed in Section 10.3
9. on 29 April 2021, BLY announced its financial performance for the quarter ended 31 March 2021, noting the improvement of the level of exploration and mining activity. Following the announcement, the share price increased by 5.8% to close at \$0.42 on the same day, and subsequently 9.3% the following day to close at \$0.46 on 30 April 2021
10. on 13 May 2021, BLY announced that it had reached an agreement regarding the Recapitalisation. The share price decreased by 28.5% to close at \$0.29 on the same day
11. on 20 May 2021, S&P downgraded the Company's credit ratings and the share price closed at \$0.33 on the same day and decreased by 12.4% over the following week. Further information is detailed in Section 10.3, and
12. on 8 June 2021, BLY announced completion of US\$65 million in additional short term financing to provide adequate liquidity for operations through the restructuring process, as well as the consent approval to amend Senior Secured Notes. The share price decreased by 8.1% to close at \$0.23 on the same day.

Further details in relation to all announcements made by BLY to the ASX can be obtained from either the Company's website or ASX's website at www.asx.com.au.

The figure below illustrates a comparison of the trading performance of BLY's shares relative to the All Ordinaries Index and the Metals and Mining Index over the period 1 January 2020 to 14 July 2021. BLY significantly underperformed the index from the beginning of 2020, especially when the COVID-19 pandemic broke out, as mining activities were disrupted. Over the period to 14 July 2021, the BLY share price depreciated by 76.9%. Over the same period, the All Ordinaries Index and Mining and Metals Index grew by 16.5% and 87.2%, respectively. The BLY share price displayed significantly greater volatility relative to both indices, which is not uncommon given the enhanced diversification of an index when compared to a single company, along with the higher leverage, the small market capitalisation and liquidity of BLY.

Figure 7: Relative share price performance



Source: S&P Capital IQ and KPMG Corporate Finance Analysis

13.2 VWAP and liquidity analysis

An analysis of the volume of trading in the ordinary shares of BLY, including the VWAP for the period up to 14 July 2021 is set out in the following table.

Table 9: Volume of trading in ordinary shares

Period	Price (low) \$	Price (high) \$	Price VWAP \$	Cumulative value \$m	Cumulative volume m	% of issued capital
1 day	0.25	0.26	0.26	0.0	0.0	0.0
1 week	0.23	0.26	0.25	0.0	0.1	0.1
1 month	0.23	0.27	0.24	0.2	0.7	0.8
3 months	0.23	0.48	0.29	0.9	3.2	3.6
6 months	0.23	0.69	0.40	2.2	5.6	6.3
12 months	0.22	1.65	0.67	17.1	25.4	13.9

Source: S&P Capital IQ and KPMG Corporate Finance Analysis

During the 12-month period to 14 July 2021, 13.9% of issued shares were traded. This level of trading indicates that BLY's shares are illiquid, albeit being traded every day over the 12-month period.

13.3 Dividends

No dividends have been issued for the half years ended 31 December 2019 through 31 December 2020.

14 Implications of the Re-domicile Transaction

Subsequent to the Re-domicile Transaction, Shareholders will hold a beneficial interest in the same number of securities as were held prior to the implementation of the Scheme. Set out below is a summary of the likely implications of the Re-domicile Transaction to Shareholders.

14.1 Business operations

Post the implementation of the Re-domicile Transaction, New BLY Parent intends to continue to operate the business of BLY in its ordinary course, without any changes to its business operations and strategy or any major redeployment of its executives and fixed assets.

14.2 Corporate structure

If the Redomicile Transaction is approved, New BLY Parent will be interposed as the ultimate holding company of BLY. The corporate structure pre and post the Redomicile Transaction is set out in Section 6.1 of this report.

14.3 Dividend policy

It is not expected that the Re-domicile Transaction will have a material impact on the dividend policy of the BLY Group. Currently BLY does not pay dividends. Future payment of dividends will depend on the financial position and future capital requirements.

14.4 Corporate governance, Directors and management

As outlined in Section 7 of the Explanatory Memorandum, the Re-domicile Transaction is not intended to result in any significant changes to the corporate governance of the BLY Group.

Currently under the terms of the RSA, BLY has agreed that the initial and subsequent post-Recapitalisation composition of the BLY Board will consist of nine directors and include:

- the Chief Executive Officer
- the CBP Nominee Directors, comprising five directors nominated by CBP, and
- the Ad Hoc Group⁹ Nominee Directors, comprising three directors nominated by the Ad Hoc Group.

If the Re-domiciliation is approved and implemented, the director nomination rights contemplated by the RSA will be documented by an alternative Director Appointment Deed under 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. It is not envisaged to impact on the proposed Board structure.

BLY also does not intend to make changes to the management team of the BLY Group as a result of, or immediately following the implementation of the Re-domicile Transaction.

14.5 Shareholder rights and legal implications

If the Redomicile Transaction is approved, Shareholders will no longer hold securities in an Australian domiciled entity as they will exchange these securities for shares of a Canadian domiciled company, New BLY Parent. This will result in the New BLY Parent being subject to Canadian law and in particular that

⁹ Th Ad Hoc group comprises Ascribe, Ares, Corre, FPA and Nut Tree.

of the Ontario Business Corporations Act (the OBCA) replacing the Corporations Act as the applicable legislative framework.

The Shareholder rights of New BLY Parent Shares, although different, will be similar to the rights of the existing BLY Shares in many respects including the ability to receive dividends and to vote. However there are some important differences which we outline below.

Different takeover laws

As an Australian domiciled company, the takeover provisions of the Australian Corporations Act currently safeguard BLY from certain control transactions. As a Canadian domiciled company, an important difference for New BLY Parent would be that defensive tactics are not as limited as in Australia. An example is the adoption of a shareholders' rights plan used as a poison pill which is considered generally to be unacceptable in Australia but not in Canada. Noting that there remains an overriding requirement for the company to act to the benefit of shareholders and that securities regulators closely monitor the use of defence tactics.

Rights attaching to New BLY Shares

We recommend Shareholders read Sections 8.3 and 8.4 of the Explanatory Memorandum which sets out the rights attaching to New BLY Parent Shares and a comparison of Australian and Canadian company rules.

14.6 Taxation implications of the Re-domicile Transaction

If the Scheme becomes effective, it may trigger taxation consequences for Shareholders depending on whether they are residents of Australia or not as the Re-domicile Transaction is likely to be considered a sale of shares for taxation purposes.

Australian Resident Shareholders

As stated above the Re-domicile Transaction will likely be considered a sale of shares for taxation purposes and as such give rise to a capital gains tax (CGT) event where held on capital account. Australian Resident Shareholders who would have a capital gain are likely to have available to them CGT scrip for scrip rollover relief should they choose. Otherwise they will realise a gain or capital loss depending on the capital base of the Shares. Shareholders should in this context also read Section 10 of the Explanatory Memorandum.

Consequences if CGT Script for Scrip Rollover Relief is chosen

If an Australian Resident Shareholder chooses Rollover Relief in light of capital gain, any capital gain arising on the disposal of their Shares in exchange for New BLY Parent CDIs will be disregarded. The cost base of the New BLY Parent CDIs is worked out by attributing to them, on a reasonable basis, the existing cost base of the Shares that they exchanged for the New BLY Parent CDIs. The Acquisition date of the New BLY Parent CDIs is taken to be the date when the Australian Resident Shareholder acquired the Shares that were exchanged for the New BLY Parent CDIs.

Consequences if CGT Script for Scrip Rollover Relief is not chosen or does not apply

If an Australian Resident Shareholder has held their Shares for at least 12 months at the time of disposal, the discount capital gains provision may apply. Australian Resident Shareholders that are an individual or trustee will be taxed on one-half of the capital gain. Australian Resident Shareholders that are a trustee for a complying superannuation entity will be taxed on two-thirds of the capital gain.



Boart Longyear
Independent Expert Report
24 July 2021

If an Australian Resident Shareholder makes a capital loss from the disposal of Shares, the loss may be used to offset capital gains derived in the same or subsequent years of income.

Non-Resident Shareholders

Non-Resident Shareholders may be able to disregard any capital gain or loss as a consequence of the Re-domicile Transaction. Non-Resident Shareholders will only make a capital gain or loss on the disposal of 'taxable Australian property'.¹⁰

For further detail regarding the taxation consequences of the Re-domicile Transaction and in relation to the holding and disposal of New BLY Parent Shares, refer to Section 9 of the Explanatory Memorandum.

Shareholders should consult their professional advisers on the tax implications of the Re-domicile Transaction for their particular circumstances.

¹⁰ Refer to Section 9.3 (a) of the Explanatory Memorandum for further details.



Boart Longyear
Independent Expert Report
24 July 2021

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin and Adele Thomas. Ian is member of Chartered Accountants Australia and New Zealand, a Senior Fellow of the Financial Securities Institute of Australasia and holds a Master of Commerce from the University of New South Wales. Adele is a member of Chartered Accountants Australia and New Zealand and holds Bachelor degrees in Commerce and Accounting. Each have a significant number of years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports. Thomas Kriegel assisted in the preparation of this report.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Re-domicile Transaction is in the best interests of Shareholders. KPMG Corporate Finance expressly disclaims any liability to any Shareholders who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Explanatory Memorandum or any other document prepared in respect of the Re-domicile Transaction. Accordingly, we take no responsibility for the content of the Explanatory Memorandum as a whole or other documents prepared in respect of the Re-domicile Transaction.

It is not the role of the Independent Expert to undertake the commercial and legal due diligence that a company, and its advisers may undertake. KPMG Corporate Finance provides no warranty as to the adequacy, effectiveness or completeness of the diligence process, which is outside our control, and beyond the scope of this report. We have assumed that the due diligence process was conducted in an adequate and appropriate manner.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

In addition to the disclosures in our Financial Services Guide which indicate that KPMG has also provided tax services in relation to the impact of the Restructuring, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of BLY for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Explanatory Memorandum to be issued to the Shareholders of BLY. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- the Company Announcement regarding the Restructuring including the RSA
- annual reports for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020
- company presentations and ASX announcements
- various broker and analyst reports
- various press and media articles
- various reports published by IBISWorld Pty Ltd
- data providers including S&P, S&P Capital IQ and Connect 4

Non-public information:

- Board papers and other internal briefing papers prepared by BLY and their advisers in relation to the Restructuring
- Draft Explanatory Memorandum, dated 15 July 2021
- other confidential documents, presentations and work papers.

In addition, we have had discussions with the directors and senior management of BLY and their advisers.



PART TWO – FINANCIAL SERVICES GUIDE

Dated 23 July 2021

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**'KPMG Corporate Finance'**), Ian Jedlin as an authorised representative of KPMG Corporate Finance, authorised representative number 404177 and Adele Thomas as an authorised representative of KPMG Corporate Finance, authorised representative number 404180 (**Authorised Representative**).

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- The services KPMG Corporate Finance and its Authorised Representative are authorised to provide;
- How KPMG Corporate Finance and its Authorised Representative are paid;
- Any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG Corporate Finance have in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance. This FSG forms part of an Investigating Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by BLY Limited (Client) to provide general financial product advice in the form of a Report to be included in Explanatory Memorandum (Document) prepared by BLY in relation to the Re-domicile Transaction (Transaction).

You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.

KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.



You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance A\$75,000 for preparing the Report. KPMG Corporate Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided a range of services to BLY for which professional fees are received. Over the past two years professional fees of approximately US\$2.2 million have been received from BLY. Tax services have been provided in relation to the impact of the Restructuring. No other services have related to the Restructuring or alternatives to the Restructuring.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website

www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 367 287

Facsimile: (03) 9613 6399 Email: info@fos.org.au

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:

KPMG Corporate Finance

A division of KPMG Financial Advisory Services (Australia) Pty Ltd

Level 38, Tower Three, International Towers Sydney

300 Barangaroo Avenue

Sydney NSW 2000

PO Box H67

Australia Square

NSW 1213

Telephone: (02) 9335 7000

Facsimile: (02) 9335 7200

Adele Thomas / Ian Jedlin

C/O KPMG

PO Box H67

Australia Square

NSW 1213

Telephone: (02) 9335 7000

Facsimile: (02) 9335 7000

APPENDIX B: RE-DOMICILIATION SCHEME OF ARRANGEMENT



Scheme of Arrangement

Boart Longyear Limited

ACN 123 052 728

Scheme Shareholders

SCHEME OF ARRANGEMENT

Under section 411 of the Corporations Act

BETWEEN:

- (1) **Boart Longyear Limited** ACN 123 052 728 whose registered office is at 26 Butler Boulevard, Adelaide Airport, SA 5950 (**BLY**); and
- (2) Scheme Shareholders.

BACKGROUND

- (A) BLY is a public company limited by shares. BLY is incorporated in Australia and registered in South Australia. BLY's registered office is at 26 Butler Boulevard, Adelaide Airport, SA 5950. BLY is admitted to the official list of ASX and BLY Shares are quoted on the securities exchange operated by ASX.
- (B) Boart Longyear Ltd (Corporation Number: 2854330) (**New BLY Parent**) is a limited company incorporated in Ontario, Canada. It has its registered address at 333 Bay St, Suite 2400, Toronto, Ontario M5H 2T6, Canada.
- (C) New BLY Parent has one (1) issued and outstanding ordinary share which is held by the Individual Shareholder (the **Subscriber Share**). Other than the Subscriber Share, New BLY Parent has not issued any other shares and has not granted any options or other securities convertible into New BLY Parent Shares.
- (D) The directors of BLY have proposed this Re-domiciliation Scheme to the members of BLY and consider that this Re-domiciliation Scheme is in the best interests of BLY and its members as a whole.
- (E) New BLY Parent has executed the Re-domiciliation Scheme Deed Poll under which it covenants in favour of the BLY Shareholders to carry out its obligations under this Re-domiciliation Scheme, including to provide the Re-domiciliation Scheme Consideration in accordance with the terms of this Re-domiciliation Scheme.
- (F) If this Re-domiciliation Scheme becomes Effective:
 - (1) New BLY Parent will provide the Re-domiciliation Scheme Consideration to Scheme Shareholders in accordance with the terms of this Re-domiciliation Scheme and the Re-domiciliation Scheme Deed Poll; and
 - (2) all of the Scheme Shares, and all of the rights and entitlements attaching to the Scheme Shares as at the Re-domiciliation Scheme Implementation Date, will be transferred to New BLY Parent and BLY will become a wholly owned subsidiary of New BLY Parent; and
 - (3) BLY will enter New BLY Parent's name in the BLY Share Register as the holder of all Scheme Shares.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document:

2014 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2014 Option Plan.

2014 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2014 Options.

2015 Options means the options to eligible participants to purchase fully paid shares of BLY in accordance with the 2015 Option Plan.

2015 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2015 Options.

2016 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2016 Option Plan.

2016 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2016 Options.

AHG Member means any one of Ascribe, Ares, Corre, FPA or Nut Tree.

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.

Ascribe means Ascribe II Investments LLC.

ASIC means the Australian Securities and Investments Commission.

Assumption Deed Poll means the deed poll of that name entered into by New BLY Parent in favour of the New Warrant Holder, the holders of the Class A 7% Warrants, the Class B 7% Warrants and the Ordinary Warrants, the Option Holder and the Participants.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Authorised Nominee means CHESS Depository Nominees Pty Limited (ACN 071 346 503), Australian Financial Licence number 254514), an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

BCM means BL Capital Management LLC, a limited liability company formed under the laws of Delaware.

BLA means Boart Longyear Australia Pty Ltd ACN 000 401 025.

BLI means Boart Longyear Investments Pty Limited ACN 124 070 373.

BLY Issuer means BLY Management Pty Limited ACN 123 283 545.

BLY Option means each if the 2014 Options, 2015 Options and the 2016 Options.

BLY US means BLY US Holdings Inc., a corporation formed under the laws of the State of Utah.

BLY Share means each fully paid ordinary share in the capital of BLY.

BLY Share Register means the register of members of BLY maintained by or on behalf of BLY in accordance with section 168(1) of the Corporations Act.

BLY Share Registry means Link Market Services Limited.

BLY Shareholder means each person who is registered in the BLY Share Register as a holder of BLY Shares.

Business Day means:

- (a) when used in relation to the Re-domiciliation Scheme Implementation Date or the Re-domiciliation Scheme Record Date, a business day as defined in the ASX Listing Rules; and
- (b) in all other cases, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.

CBP means 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.

CBP Member means any one of 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. or Centerbridge Special Credit Partners II, L.P.

CDI means 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.

CHESS means 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.

Class A 7% Warrant means the 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.

Class B 7% Warrant means the 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.

Conditions means each of the conditions precedent in clause 2.1.

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.

Court means the Supreme Court of New South Wales.

Creditors' Scheme Companies means BLY, BLY Issuer, BLI, BLA, Votrant, BCM and BLY US.

Creditors' Schemes means the Secured Creditors' Scheme and the Unsecured Creditors' Scheme.

Creditors' Schemes Effective Date means the date upon which each of the conditions precedent in the Creditors' Schemes have been satisfied or waived.

DTC means The Depository Trust Company, a central securities depository registered as a clearing agency with the Securities Exchange Commission.

Effective means the coming into effect, under section 411(10)) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Re-domiciliation Scheme.

End Date means 31 December 2021.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Finance Document means:

- (a) in respect of the Secured Creditors' Scheme, each of the documents listed in Schedule 1 of the Secured Creditors' Scheme other than an Incremental Finance Document; and
- (b) in respect of the Unsecured Creditors' Scheme, each of the documents listed in Schedule 1 of the Unsecured Creditors' Scheme other than an Incremental Finance Document; and
- (c) any other document entered into by a Creditor 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.

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.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the Australian Competition and Consumer Commission, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

GST Law means the same as "GST law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

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 1 June 2021 between, amongst others, BLY 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.

Individual Shareholder means Gordon Ross Amos.

Ineligible Foreign Shareholder means:

- (a) each BLY Shareholder whose address as shown in the Register as at the Re-domiciliation 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) a BLY Shareholder to whom 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.

Long Term Incentive Plan means Boart Longyear's 2020 Long Term Incentive Plan effective 30 July 2020.

New BLY Parent CDI means a CDI representing one (1) New BLY Parent Share.

New BLY Parent Share means a fully paid common share in New BLY Parent.

New Warrants the warrants issued by BLY on the terms set out in Schedule 11 of the Unsecured Creditors' Scheme.

New Warrant Holder means the holder of the New Warrants.

Nut Tree means Nut Tree Capital Management and Nut Tree Master Fund, LP.

Option Holder means each holder of a BLY Option.

Ordinary Warrant Deed Poll means the ordinary warrant deed poll dated 31 August 2017 executed by BLY.

Ordinary Warrants means 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.

Participant means each eligible participant to the Long Term Incentive Plan.

Re-domiciliation Implementation means the implementation of this Re-domiciliation Scheme.

Re-domiciliation Independent Expert means KPMG Financial Advisory Services (Australia) Pty Ltd.

Re-domiciliation Independent Expert's Report means a report prepared by the Re-domiciliation Independent Expert in accordance with ASIC Regulatory Guide 111.

Re-domiciliation Scheme means this scheme of arrangement under Part 5.1 proposed between BLY and the Scheme Shareholders, set out in this document, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed by BLY and New BLY Parent.

Re-domiciliation Scheme Consideration means the consideration to be provided by New BLY Parent to each Scheme Shareholder for the transfer of each Scheme Share under this Re-domiciliation Scheme, being one (1) New BLY Parent Share in the form of a New BLY Parent CDI, for each one (1) BLY Share held by a Scheme Shareholder as at the Re-domiciliation Scheme Record Date, to be satisfied in the manner as set out in clause 3.2.

Re-domiciliation Scheme Deed Poll means the deed poll pursuant to which New BLY Parent covenants in favour of Scheme Shareholders to (among other things) provide the Re-domiciliation Scheme Consideration in accordance with the terms of this Re-domiciliation Scheme.

Re-domiciliation Scheme Effective Date means the date on which each of the conditions precedent in clause 2.1 have been satisfied or waived in accordance with the terms of this Re-domiciliation Scheme.

Re-domiciliation Scheme Implementation Date means the Business Day which is two Business Days after the Re-domiciliation Scheme Record Date, or such other date as BLY and New BLY Parent may agree in writing, may be ordered by the Court or may be required by ASX.

Re-domiciliation Scheme Meeting means the BLY Shareholders' meeting or meetings ordered by the Court to be convened under section 411(1) in relation to this Re-domiciliation Scheme.

Re-domiciliation Scheme Record Date means 7.00 pm (Sydney time) on the day which is two Business Days after the Re-domiciliation Scheme becomes Effective or any other date (after the Re-domiciliation Scheme becomes Effective) agreed by BLY and the New BLY Parent to be the record date to determine entitlements to receive Re-domiciliation Scheme Consideration under the Re-domiciliation Scheme.

Re-domiciliation Scheme Resolution means the resolution to be put to BLY Shareholders at the Re-domiciliation Scheme Meeting to approve the Re-domiciliation Scheme.

Re-domiciliation Second Court Date means the first day in which the Court hears an application for an order under section 411(4)(b) of the Corporations Act approving this Re-

domiciliation Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Registered Address means, in relation to a BLY Shareholder, the address of the shareholder shown in the BLY Share Register.

Requisite Majorities means approval of the Re-domiciliation Scheme Resolution by:

- (a) greater than 50% in number of BLY Shareholders present and voting at the Re-domiciliation Scheme Meeting (in person, by proxy, by attorney or by a corporate representative);
- (b) at least 75% of the total number of votes cast on the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting.

Restructuring Implementation Deed means the restructuring implementation deed between BLY, New BLY Parent, the Secured Scheme Administrators and the Unsecured Scheme Administrator (amongst others) substantially in the form set out in Schedule 2 of the Unsecured Creditors' Scheme and Schedule 2 the Secured Creditors' Scheme, respectively.

Sale Agent means the person appointed by BLY to sell the Sale Securities as contemplated by clause 3.3.

Sale Securities has the meaning given in clause 3.3.

Scheme Share means each BLY Share on issue as at the Re-domiciliation Scheme Record Date.

Scheme Shareholder means each BLY Shareholder at the Re-domiciliation Scheme Record Date, taking into account registration of all registrable transfers and transmission applications in accordance with clause 4.1.

Scheme Transfer, in relation to Scheme Shares, means a proper instrument of transfer of the Scheme Shares.

Secured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Creditors' Scheme Companies and the Secured Scheme Creditors being the compromise or arrangement proposed by the Creditors' Scheme Companies and approved by the Court in 2021.

Secured Money has the meaning given to that term in the Secured Creditors' Schemes.

Secured Scheme Administrator means 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.

Secured Scheme Creditors means, as at the Creditors' Schemes Effective Date, in respect of:

- (a) the Term Loan A, each TLA Purchaser with TLA Secured Debt;
- (b) the Term Loan A, each TLB Purchaser with TLB Secured Debt; and
- (c) the SSN Indenture:
 - (i) each SSN Noteholder with SSN Secured Debt; and

- (ii) the SSN Notes Registered Holder, and the SSN Notes Registered Holder's nominee, Cede & Co.

SSN Indenture means the indenture dated 27 September 2013, between, among others, the BLY Issuer, as issuer, BLY, as parent, BLA, BLI, Votaint, 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 "Holder" or "Securityholder" as those terms are defined in the SSN Indenture.

SSN Notes Registered Holder means the "Holder" or "Securityholder" as those terms are defined in the SSN Indenture, being DTC.

SSN Secured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owed to the SSN Noteholders under the SSN Indenture which is secured pursuant to the terms of the SSN Indenture.

SSN Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owed to the SSN Noteholders under the SSN Indenture which is unsecured pursuant to the terms of the Finance Documents.

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.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owed to the SUN Noteholders under the 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 23 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 "Holder" as those terms are defined in the SUN Indenture.

SUN Notes Registered Holder means the "Holder" or "Securityholder" as that term is defined in the SUN Indenture, being DTC.

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, Votaint 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, Votaint 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 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, owed to the TLA Purchasers under the Term Loan A which is secured pursuant to the terms of the Finance Document.

TLA Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owed to the TLA Purchasers under the Term Loan A which is unsecured pursuant to the terms of the Finance Documents.

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, owed to the TLB Purchasers under the Term Loan B which is secured pursuant to the terms of the Finance Documents.

TLB Unsecured Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owed to the TLB Purchasers under the Term Loan B which is unsecured pursuant to the terms of the Finance Documents.

Total Sale Proceeds means the total proceeds received from the sale of the Sale Securities by the Sale Agent in accordance with clause 3.3(c) after the deduction of any applicable fees, brokerage, taxes and charges the Sale Agent reasonably incurred in connection with the sale of the Sale Securities.

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between Creditors' Scheme Companies and the Unsecured Scheme Creditors (amongst others), being the compromise or arrangement proposed by the Creditors' Scheme Companies and approved by the Court in 2021.

Unsecured Scheme Administrators means Christopher Hill 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.

Unsecured Scheme Creditors means as at the Creditors' Schemes 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) the 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.

Votrant means Votrant No. 1609 Pty Limited ACN 119 244 272.

1.2 Rules for interpreting this document

Headings and catchwords 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 to this document or to any other document or agreement includes a 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; and
 - (v) 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) 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.
- (g) 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.
- (h) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (i) Terms defined in the GST Law have the same meaning in this document unless the context otherwise requires.

- (j) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- (k) A reference to time in this document is a reference to time in Sydney, New South Wales.

2. **CONDITIONS PRECEDENT**

2.1 **Conditions precedent to the Re-domiciliation Scheme**

This Re-domiciliation Scheme is conditional upon, and will have no force or effect until, the satisfaction or waiver (in accordance with clause 2.2) of each of the following conditions precedent:

- (a) **(Re-domiciliation Scheme Deed Poll)** before 8:00am on the Re-domiciliation Second Court Date, New BLY Parent has executed the Re-domiciliation Scheme Deed Poll;
- (b) **(Assumption Deed)**; before 8:00am on the Re-domiciliation Second Court Date, New BLY Parent has executed the Assumption Deed Poll;
- (c) **(independent expert)** the Re-domiciliation Independent Expert has concluded in the Re-domiciliation Independent Expert's Report that the Re-domiciliation Scheme is in the best interests of BLY Shareholders;
- (d) **(orders convening Re-domiciliation Scheme Meeting)** the Court makes orders convening the Re-domiciliation Scheme Meeting under section 411(1) of the Corporations Act;
- (e) **(BLY Shareholder approval)** the Re-Domiciliation Scheme Resolution is approved by the Requisite Majorities at the Re-domiciliation Scheme Meeting convened in accordance with the orders made under section 411(1) of the Corporations Act;
- (f) **(Court approval of Creditors' Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving each of the Creditors' Schemes;
- (g) **(Creditors' Scheme order(s) lodged with ASIC)** an office copy of the Court order(s) approving each of the Creditors' Schemes under section 411(4)(b) of the Corporations Act is lodged with ASIC;
- (h) **(Completion of implementation of Creditors' Schemes)** Step 1 (*Issue of Shares and New Warrants*) to Step 8 (*Confirmation of Scheme Restructuring Effective Time*) (inclusive) of clause 8 to the Restructuring Implementation Deed have been completed in accordance with the Restructuring Implementation Deed;
- (i) **(FIRB approval – New BLY Parent)** before 8:00am on the Re-domiciliation 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 New BLY Parent acquiring all BLY Shares pursuant to this Re-domiciliation Scheme (**Proposed New BLY Parent Re-domiciliation Acquisition**) either without conditions or subject only to the Standard Tax Conditions or any other condition which is acceptable to New BLY Parent acting reasonably; or

- (ii) following notice of the Proposed New BLY Parent Re-domiciliation Acquisition having been given by New BLY Parent 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;
- (j) **(FIRB Approval – CBP)** before 8:00am on the Re-domiciliation 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 related bodies corporate) directly or indirectly acquiring an interest in New BLY Parent Shares pursuant to this Re-domiciliation Scheme (**Proposed CBP Re-domiciliation Acquisition**) either without conditions or subject only to the Standard Tax Conditions or any other condition which is acceptable to CBP acting reasonably; or
 - (ii) following notice of the Proposed CBP Re-domiciliation Acquisition 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;
- (k) **(FIRB Approval – AHG)** before 8:00am on the Re-domiciliation 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 related bodies corporate) directly or indirectly acquiring an interest in New BLY Parent Shares pursuant to this Re-domiciliation Scheme (**Proposed AHG Re-domiciliation Acquisition**) either without conditions or subject only to the Standard Tax Conditions or any other condition which is acceptable to that AHG Member acting reasonably; or
 - (i) following notice of the Proposed AHG Re-domiciliation Acquisition 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;
- (l) **(Authorisations)** as at 8:00am on the Re-domiciliation Second Court Date, all other Authorisations, which BLY and New BLY Parent agree in writing are necessary for Re-domiciliation Implementation, have been obtained;
- (m) **(no restraint adversely affecting Implementation)** as at 8:00am on the Re-domiciliation Second Court Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the acquisition of all the BLY Shares by New BLY Parent or otherwise preventing Re-domiciliation Implementation is in effect;
- (n) **(ASX listing and quotation)** as at 8:00am on the Re-domiciliation Second Court Date ASX has approved:
 - (i) New BLY Parent for admission to the official list of ASX; and

- (ii) the New BLY Parent Shares (represented by New BLY Parent CDIs) for official quotation on ASX,

which approval may be conditional on this Re-domiciliation Scheme becoming Effective and other such conditions as acceptable to the boards of BLY and New BLY Parent;

- (o) **(Authorised Nominee)** before 8:00am on the Re-domiciliation Second Court Date New BLY Parent has appointed the Authorised Nominee and the Authorised Nominee has agreed to the allotment to it of New BLY Parent Shares under this Re-domiciliation Scheme; and
- (p) **(Sale Agent)** before 8:00am on the Re-domiciliation Second Court Date New BLY Parent has appointed the Sale Agent and the Sale Agent has agreed to sell the Sale Securities as contemplated by clause 3.3;
- (q) **(Court approval of Re-domiciliation Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving this Re-domiciliation Scheme; and
- (r) **(Re-domiciliation Scheme order lodged with ASIC)** an office copy of the Court order approving this Re-domiciliation Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.

2.2 **Benefit and waiver of Conditions**

Each of the Conditions is for the benefit of both BLY and New BLY Parent and a breach or non-satisfaction of a Condition can only be waived with the written consent of both parties. The Conditions in clauses 2.1(d) to 2.1(h) (inclusive) are not capable of waiver.

2.3 **Certificates**

- (a) On the Re-domiciliation Second Court Date, each of BLY and New BLY Parent must provide to the Court a certificate signed by a duly authorised representative confirming that the conditions precedent in clause 2.1, other than the conditions precedent in clauses 2.1(f), 2.1(q) and 2.1(r), have been satisfied or (if applicable) waived.
- (b) The certificates referred to in clause 2.3(a) constitute conclusive evidence that the conditions precedent in clause 2.1, other than the conditions precedent in clauses 2.1(f), 2.1(q) and 2.1(r), have been satisfied or (if applicable) waived.

2.4 **Re-domiciliation Scheme Effective Date**

This Re-domiciliation Scheme takes effect on the Re-domiciliation Scheme Effective Date.

2.5 **End Date**

This Re-domiciliation Scheme will lapse and be of no effect if the Re-domiciliation Scheme Effective Date has not occurred on or before the End Date.

3. **THE SCHEME**

3.1 **Implementation steps**

On the Re-domiciliation Scheme Implementation Date:

- (a) subject to the provision of the Re-domiciliation Scheme Consideration in accordance with this Re-domiciliation Scheme and New BLY Parent having provided BLY with

written confirmation of that having occurred, all of the Scheme Shares, together with all rights and entitlements attaching to those shares as at the Re-domiciliation Scheme Implementation Date, will be transferred to New BLY Parent without the need for any further act by any Scheme Shareholder (other than acts performed by BLY or its directors and officers as attorney and agent for the Scheme Shareholders under this Re-domiciliation Scheme) by :

- (i) BLY delivering to New BLY Parent for execution a duly completed Scheme Transfer to transfer the Scheme Shares to New BLY Parent, duly executed by BLY (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clauses 5.2 and 5.3;
- (ii) New BLY Parent duly completing and executing the Scheme Transfer as transferee, attending to stamping of the Scheme Transfer (if required) and delivering it to BLY for registration; and
- (iii) BLY, upon receipt of the Scheme Transfer under subparagraph (ii):
 - (A) attending to registration of the Scheme Transfer; and
 - (B) entering or procuring the entry of the name and address of New BLY Parent in the BLY Share Register as the holder of all the Scheme Shares; and
- (b) New BLY Parent will provide to each Scheme Shareholder the Re-domiciliation Scheme Consideration for each BLY Share held by the Scheme Shareholder, in accordance with and subject to the terms of this Re-domiciliation Scheme.

3.2 **Provision of Re-domiciliation Scheme Consideration**

The obligation of New BLY Parent to provide the Re-domiciliation Scheme Consideration under clause 3.1(b) will be discharged by New BLY Parent issuing to the Authorised Nominee one New BLY Parent Share for each Scheme Share and:

- (a) in the case of Scheme Shareholders who are not Ineligible Foreign Shareholders, issuing or causing the issue to each such Scheme Shareholder of one New BLY Parent CDI for each Scheme Share to be transferred to New BLY Parent by or on behalf of that Scheme Shareholder; or
- (b) in the case of Ineligible Foreign Shareholders, issuing or causing the issue to the Sale Agent of one New BLY Parent CDI for each Scheme Share to be transferred to New BLY Parent by or on behalf of Ineligible Foreign Shareholders in accordance with clause 3.3.

3.3 **Ineligible Foreign Shareholders**

- (a) Ineligible Foreign Shareholders are not entitled to be issued, and New BLY Parent has no obligation to issue to Ineligible Foreign Shareholders, New BLY Parent CDIs as Re-domiciliation Scheme Consideration under clause 3.1(b). Instead, the New BLY Parent CDIs that, but for this clause 3.3, would be issued to the Ineligible Foreign Shareholders (**Sale Securities**) will be issued to a person nominated by BLY (the **Sale Agent**).
- (b) Where the Sale Agent is issued Re-domiciliation Scheme Consideration under clause 3.3(a), BLY and New BLY Parent will cause the Sale Agent to as soon as is reasonably

practicable (but, in any case within one month after the Re-domiciliation Scheme Implementation Date):

- (i) sell all such Sale Securities (on ASX or off-market) in the manner, and on the terms, the Sale Agent thinks fit (and at the risk of the Ineligible Foreign Shareholders); and
 - (ii) remit to BLY the Total Sale Proceeds.
- (c) As soon as reasonably practicable (but, in any case, within 10 Business Days) after receipt by BLY from the Sale Agent of the Total Sale Proceeds referred to in clause (b) above, BLY must remit to each Ineligible Foreign Shareholder the amount 'A' calculated in accordance with the following formula (rounded down to the nearest whole cent):

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

where:

A = the proportion of the proceeds to which that Ineligible Foreign Shareholder is to be remitted;

B = the number of Sale Securities to which that Ineligible Foreign Shareholder would have been entitled if they were not an Ineligible Foreign Shareholder;

C = the total number of Sale Securities issued to and sold by the Sale Agent; and

D = the Total Sale Proceeds.

- (d) The remittance by BLY to each Ineligible Foreign Shareholder of the sale proceeds contemplated by clause (c)3.3(c) is in full and final satisfaction of that Ineligible Foreign Shareholder's rights and entitlements to the Re-domiciliation Scheme Consideration.
- (e) Each Ineligible Foreign Shareholder appoints BLY, and each director and officer of BLY, as its agent to receive on its behalf any financial services guide or other notice that may be given under the Corporations Act by the Sale Agent to each Ineligible Foreign Shareholder for or in connection with its appointment or the sales.

3.4 **Registration and confirmations**

New BLY Parent will:

- (a) procure the despatch to the Authorised Nominee of a certificate in the name of the Authorised Nominee representing the New BLY Parent Shares issued to the Authorised Nominee under clause 3.2;
- (b) cause the Authorised Nominee's name to be entered into the register of New BLY Parent as the holder of the New BLY Parent Shares issued to the Authorised Nominee under clause 3.2;
- (c) register, or cause to be registered, the Scheme Shareholders (other than the Ineligible Foreign Shareholders) and the Sale Agent (in respect of Ineligible Foreign Shareholders) as the holders of the New BLY Parent CDIs to which they become entitled under this Re-domiciliation Scheme; and

- (d) procure the despatch to each Scheme Shareholder (other than the Ineligible Foreign Shareholders) and the Sale Agent (in respect of Ineligible Foreign Shareholders) of a holding statement in the name of that person with the number of New BLY Parent CDIs issued to that person. In the case of Scheme Shareholders that are joint holders, such confirmations will be sent to the holder whose name appears first in the Share Register on the Re-domiciliation Scheme Record Date.

3.5 New BLY Parent beneficially entitled to Scheme Shares

New BLY Parent will be beneficially entitled to the Scheme Shares transferred to it under this Re-domiciliation Scheme pending registration by BLY of the name and address of New BLY Parent in the BLY Share Register as the holder of the Scheme Shares.

3.6 Class A 7% Warrants, the Class B 7% Warrants, the New Warrants, the BLY Options and the Long Term Incentive Plan

New BLY Parent will, pursuant to the Assumption Deed Poll, assume BLY's obligations with respect to the Class A 7% Warrants, the Class B 7% Warrants, the New Warrants, the BLY Options and the Long Term Incentive Plan, subject to, and in accordance with, the Assumption Deed Poll.

4. DEALINGS IN BLY SHARES

4.1 What BLY Share dealings are recognised?

To establish the persons who are Scheme Shareholders, dealings in BLY Shares will be recognised only if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the BLY Share Register as the holder of the BLY Shares as at the Re-domiciliation Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the BLY Share Registry at or before the Re-domiciliation Scheme Record Date.

4.2 BLY to register transfer and transmission applications

BLY will register registrable transfers and transmission applications of the kind referred to in clause 4.1(b) by, or as soon as practicable after, the Re-domiciliation Scheme Record Date.

4.3 Transfers received after Re-domiciliation Scheme Record Date not recognised

Subject to this Re-domiciliation Scheme becoming Effective, each Scheme Shareholder (and any person claiming through any Scheme Shareholder) must not dispose of or transfer, or purport or agree to dispose of or transfer, any Scheme Share or any interest in any Scheme Share after the Re-domiciliation Scheme Record Date. Any such disposal or transfer, or purported or agreed disposal or transfer, will be void and of no legal effect, and BLY will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Scheme Shares received after the Re-domiciliation Scheme Record Date.

4.4 BLY to maintain BLY Share Register to determine entitlements

In order to determine entitlements to the Re-domiciliation Scheme Consideration, BLY will maintain, or procure the maintenance of, the BLY Share Register in accordance with this clause 0 until the Re-domiciliation Scheme Consideration has been provided to Scheme

Shareholders and the BLY Share Register in this form will solely determine entitlements to the Re-domiciliation Scheme Consideration.

4.5 Holding statements no effect from Re-domiciliation Scheme Record Date

From the Re-domiciliation Scheme Record Date, all holding statements for Scheme Shares (other than holding statements in favour of New BLY Parent) will cease to have effect as documents of title (or evidence thereof), and each entry on the BLY Share Register at the Re-domiciliation Scheme Record Date (other than those entries in respect of New BLY Parent) will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Re-domiciliation Scheme Consideration.

4.6 BLY to provide contact information for Scheme Shareholders

As soon as practicable after the Re-domiciliation Scheme Record Date and in any event before the Re-domiciliation Scheme Implementation Date, BLY will give to New BLY Parent or procure that New BLY Parent be given details of the name, Registered Address and the number of BLY Shares held by each Scheme Shareholder, as shown in the BLY Share Register at the Re-domiciliation Scheme Record Date, in whatever form New BLY Parent reasonably requires.

4.7 Suspension of trading

It is expected that the suspension of trading in BLY Shares on the stock market conducted by ASX will occur from the close of trading on the Re-domiciliation Scheme Effective Date.

4.8 BLY to apply for termination of quotation of BLY Shares

On a date after the Re-domiciliation Scheme Implementation Date to be determined by New BLY Parent, BLY will apply:

- (a) for termination of the official quotation by ASX of BLY Shares; and
- (b) to have itself removed from the official list of ASX.

5. GENERAL PROVISIONS

5.1 BLY giving effect to the Scheme

BLY must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that is necessary or desirable to give full effect to this Re-domiciliation Scheme and the transactions contemplated by it. Without limiting BLY's power under this Re-domiciliation Scheme, BLY has power to do all things that it considers necessary or desirable to give effect to this Re-domiciliation Scheme.

5.2 Scheme Shareholders' agreements and consents

- (a) Each Scheme Shareholder, excluding any Ineligible Foreign Shareholder, irrevocably agrees for all purposes:
 - (i) to become a shareholder of New BLY Parent (without the need for any further act on its part); and
 - (ii) to be bound by the constitution of New BLY Parent.
- (b) Each Scheme Shareholder irrevocably:

- (i) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to New BLY Parent, in accordance with this Re-domiciliation Scheme; and
- (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from, and in accordance with, this Re-domiciliation Scheme;
- (iii) acknowledges that this Re-domiciliation Scheme binds BLY and all Scheme Shareholders (including those who did not attend the Re-domiciliation Scheme Meeting and those who did not vote, or voted against this Re-domiciliation Scheme, at the Re-domiciliation Scheme Meeting);
- (iv) consents to BLY doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, expedient or incidental to implementation and to give full effect to this Re-domiciliation Scheme and the transactions contemplated by it; and
- (v) acknowledges that BLY, as agent of each Scheme Shareholder, may sub-delegate its functions under this document to any of its directors and officers, jointly and severally,

in each case, without the need for any further act by the Scheme Shareholder.

5.3 **Appointment of BLY as attorney of Scheme Shareholders**

Each Scheme Shareholder, without the need for any further act, irrevocably appoints BLY and each of its directors and officers, jointly and severally, on and from the Re-domiciliation Scheme Effective Date, as the Scheme Shareholder's attorney and agent to:

- (a) execute any document or do any other act necessary, expedient or incidental to give full effect to this Re-domiciliation Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or execution and delivery of any Re-domiciliation Scheme Transfer) under clause 3; and
- (b) enforce the Re-domiciliation Scheme Deed Poll against New BLY Parent,

and BLY accepts such appointment. BLY may, as agent and attorney of each Scheme Shareholder, sub-delegate any of its functions, authorities or powers under this clause to all or any of its directors and officers (jointly, severally, or jointly and severally).

5.4 **Appointment of New BLY Parent as attorney in respect of Scheme Shares**

- (a) Subject to the provision of the Re-domiciliation Scheme Consideration for the Scheme Shares to each Scheme Shareholder or to the Sale Agent (as applicable, and in accordance with clause 3), on and from the Re-domiciliation Scheme Implementation Date until New BLY Parent is registered as the holder of all Scheme Shares in the BLY Share Register, each Scheme Shareholder:
 - (i) irrevocably appoints New BLY Parent as its attorney and agent (and irrevocably appoints New BLY Parent as its agent and attorney to appoint the chairman of the board of directors of New BLY Parent as its sole proxy and, where applicable, corporate representative) to:
 - (A) attend meetings of BLY Shareholders;
 - (B) exercise the votes attaching to the BLY Shares registered in the name of the Scheme Shareholder;

- (C) sign any BLY Shareholders' resolution (whether in person, by proxy, attorney or by corporate representative);
- (ii) must take all other action in the capacity of a registered holder of Scheme Shares as New BLY Parent reasonably directs;
- (iii) undertakes not to attend or vote at any meetings of BLY Shareholders or to sign any resolution of BLY Shareholders (whether in person, by proxy, attorney or corporate representative) other than pursuant to clause 5.4(a); and
- (iv) acknowledges and agrees that in exercising the powers conferred by clause 5.4(a), New BLY Parent and the chairman of the board of directors of New BLY Parent may act in the best interests of New BLY Parent as the intended registered holder of the Scheme Shares.

5.5 **Scheme Shareholder warranties**

- (a) To the extent permitted by law, the BLY Shares transferred to the New BLY Parent under this Re-domiciliation Scheme will be transferred (subject to BLY's constitution) free from all security interests (including mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise).
- (b) Each Scheme Shareholder is deemed to have warranted to each of New BLY Parent and BLY on the Re-domiciliation Scheme Implementation Date, and, to the extent enforceable, to have appointed and authorised BLY as its attorney and agent to warrant to New BLY Parent on the Re-domiciliation Scheme Implementation Date, that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to those BLY Shares) will, as at the time of the transfer of them to New BLY Parent, be fully paid and (subject to BLY's constitution) free from all:
 - (A) security interests (including mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise); and
 - (B) restrictions on transfer of any kind;
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those BLY Shares) to New BLY Parent under this Re-domiciliation Scheme.
- (c) BLY undertakes that it will provide such warranty to New BLY Parent on behalf of the Scheme Shareholder as at the time of transfer of the Scheme Shares to New BLY Parent.

5.6 **Binding effect of Scheme**

This Re-domiciliation Scheme binds BLY and all Scheme Shareholders, including those who do not attend the Re-domiciliation Scheme Meeting, do not vote at that meeting or vote against the Re-domiciliation Scheme Resolution. To the extent of any inconsistency, this Re-domiciliation Scheme overrides the constitution of BLY.

5.7 **Alteration or condition to Scheme**

If the Court proposes to approve this Re-domiciliation Scheme subject to any alteration or condition, BLY may, by its counsel or solicitors, but subject to the prior approval of New BLY

Parent (which may not be unreasonably withheld or delayed), consent on behalf of all persons concerned, including each Scheme Shareholder, to those alterations or conditions.

5.8 Re-domiciliation Scheme Deed Poll

BLY undertakes in favour of each Scheme Shareholder to enforce the Re-domiciliation Scheme Deed Poll against New BLY Parent for and on behalf of each Scheme Shareholder.

5.9 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Re-domiciliation Scheme is sent by post to BLY, it will be deemed to be received on the date (if any) on which it is actually received at BLY's registered office or BLY Share Registry and on no other date.
- (b) The accidental omission to give notice of the Re-domiciliation Scheme Meeting or the non-receipt of such notice by a BLY Shareholder will not, unless so ordered by the Court, invalidate the Re-domiciliation Scheme Meeting or the proceedings of the Re-domiciliation Scheme Meeting.

5.10 Costs and stamp duty

- (a) Subject to paragraph (b) below, BLY will pay all the costs of this Re-domiciliation Scheme.
- (b) New BLY Parent will pay all stamp duty and any related fines, penalties and other costs in respect of this Re-domiciliation Scheme (including in connection with the transfer of the Scheme Shares to New BLY Parent) in accordance with the terms of this Re-domiciliation Scheme.

5.11 Governing law

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales, Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and of the courts competent to determine appeals from those courts with respect to any proceedings that may be brought at any time arising out of or in connection with the subject matter of this Re-domiciliation Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in any inconvenient forum.

APPENDIX C: RE-DOMICILIATION SCHEME DEED POLL



Re-domiciliation Scheme Deed Poll

Boart Longyear Ltd

Corporation Number: 2854330

In favour of each person registered as a holder of a
fully paid ordinary share in Boart Longyear Limited as
at the Re-domiciliation Scheme Record Date

Re-domiciliation Scheme Deed Poll relating to
proposed Scheme of Arrangement between
Boart Longyear Limited and its members

RE-DOMICILIATION SCHEME DEED POLL

THIS DEED POLL is made on

2021

BY: Boart Longyear LTD, a limited company incorporated in Ontario, Canada (Corporation Number: 2854330) (**New BLY Parent**)

IN FAVOUR AND FOR THE BENEFIT OF:

each person registered as a holder of a fully paid ordinary share in Boart Longyear Limited ACN 123 052 728 (**BLY**) in the BLY Share Register as at the Re-domiciliation Scheme Record Date (**Scheme Shareholder**)

RECITALS

- (A) New BLY Parent is executing this document to covenant in favour of each Scheme Shareholder to perform the obligations attributed to New BLY Parent under the Re-domiciliation Scheme.

NEW BLY PARENT DECLARES AS FOLLOWS

1. INTERPRETATION

1.1 Definitions

Words and expressions that are defined in the Re-domiciliation Scheme (other than words and expressions defined in this document) have the same meaning in this document as given to them in the Re-domiciliation Scheme, unless the context makes it clear that a definition is not intended to apply.

Re-domiciliation Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between BLY and the Scheme Shareholders, set out in this document, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed by BLY and New BLY Parent.

1.2 Rules for interpreting this document

The rules in clause 1.2 of the Re-domiciliation Scheme apply in interpreting this document, unless the context makes it clear that a rule is not intended to apply.

2. NATURE OF THIS DOCUMENT

New BLY Parent acknowledges that:

- (a) this document is a deed poll and may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not parties to it; and
- (b) under the Re-domiciliation Scheme, each Scheme Shareholder irrevocably appoints BLY and each of its directors and officers, jointly and severally, as its agent and attorney to enforce this document against New BLY Parent.

3. CONDITIONS PRECEDENT AND TERMINATION

3.1 Conditions precedent

New BLY Parent's obligations under this document are subject to the Re-domiciliation Scheme becoming Effective.

3.2 Termination

- (a) If the Re-domiciliation Scheme does not become Effective on or before the End Date, New BLY Parent's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect, unless New BLY Parent and BLY otherwise agree in writing.
- (b) If this document is terminated pursuant to clause 3.2(a) then, in addition, and without prejudice to any other rights, powers or remedies available to it:
 - (i) New BLY Parent is released from its obligations under this document; and
 - (ii) each Scheme Shareholder retains any rights it has against New BLY Parent in respect of any breach of this document that occurred before this document was terminated.

4. NEW BLY PARENT COVENANT TO COMPLY WITH RE-DOMICILIATION SCHEME OBLIGATIONS

Subject to clause 3, in consideration of the transfer of each Scheme Share to New BLY Parent in accordance with the Re-domiciliation Scheme, New BLY Parent covenants in favour of each Scheme Shareholder that it will perform all obligations attributed to it under the Re-domiciliation Scheme as if it were a party to the Re-domiciliation Scheme, including all obligations attributed to it relating to the provision of the Re-domiciliation Scheme Consideration, in each case, subject to and in accordance with the terms of the Re-domiciliation Scheme.

5. REPRESENTATIONS AND WARRANTIES

New BLY Parent represents and warrants in favour of each Scheme Shareholder that:

- (a) **(status)** it is a validly existing company under the laws of the Province of British Columbia;
- (b) **(power)** it has full legal capacity and power to execute this document and to carry out the transactions that this document contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it to execute this document and it has taken, or will take, all corporate action that is necessary to authorise it to carry out of the transactions that this document contemplates;
- (d) **(documents effective)** this document constitutes legal, valid and binding obligations on it, enforceable against it in accordance with its terms;
- (e) **(no adverse regulatory action)** no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document and, to the knowledge of New BLY Parent, no such regulatory action has been threatened or is proposed to be taken against New BLY Parent; and
- (f) **(New BLY Parent Share)** each New BLY Parent Share will, upon issue:
 - (i) be fully paid up; and
 - (ii) be free from any security interest (other than as provided for under the constitution of New BLY Parent); and

- (iii) rank equally in all respects with all New BLY Parent Shares then on issue.

6. **CONTINUING OBLIGATIONS**

This document is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) New BLY Parent having fully performed its obligations under this document; and
- (b) the termination of this document pursuant to clause 3.

7. **NOTICES**

7.1 **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;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) left at the addressee's address; or
 - (ii) sent to the addressee by mail, fax or electronic form (such as email).

7.2 **When a notice is given**

A notice, consent or other communication that complies with clause 0 is regarded as given and received:

- (a) if it is delivered:
 - (i) if delivered by 5:00pm on a Business Day – when it has been left at the addressee's address; or
 - (ii) if it is delivered after 5:00pm 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, three Business Days after it is posted; and
- (c) if it is sent in electronic form:
 - (i) if it is transmitted by 5:00pm on a Business Day – when sent; or
 - (ii) if it is transmitted after 5:00pm on a Business Day, or on a day that is not a Business Day – on the next Business Day,

provided that no notice of failure of transmission or other error message is received by the sender.

7.3 **Address for notices**

New BLY Parent's mail address and fax number are those set out below, or as New BLY Parent otherwise notifies:

New BLY Parent

Address: 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6,
Canada
Email address: rossamos@rogers.com and anikolic@faskens.com
Attention: Boart Longyear Ltd

8. **GENERAL**

8.1 **Stamp duty**

New BLY Parent must bear and be responsible for any and all stamp duty (including any related fines or penalties) payable on or in respect of this document, or any transaction contemplated by it (including any transfer of Scheme Shares pursuant to the Re-domiciliation Scheme), and New BLY Parent indemnifies each Scheme Shareholder on demand against any liability for any and all such stamp duty.

8.2 **Amendment**

A provision of this document may not be amended or varied unless:

- (a) before the Re-domiciliation Second Court Date, the amendment or variation is agreed to in writing by BLY (on behalf of each Scheme Shareholder, but without the need for BLY to refer the amendment or variation to any Scheme Shareholder) and, if required, it is approved by the Court; or
- (b) on or after the Re-domiciliation Second Court Date, the amendment or variation is agreed to in writing by BLY (on behalf of each Scheme Shareholder but without the need for BLY to refer the amendment or variation to any Scheme Shareholder) and is approved by the Court,

and New BLY Parent executes a further deed poll in favour of each Scheme Shareholder giving effect to that amendment or variation.

8.3 **Assignment**

The rights and obligations of New BLY Parent and of each Scheme Shareholder under this document are personal and, except with the prior written consent of BLY and New BLY Parent cannot be assigned, encumbered, charged or otherwise dealt with.

8.4 **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.

8.5 **Operation of this document**

- (a) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document

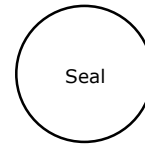
enforceable, unless this would materially change the intended effect of this document.

8.6 **Governing law**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales within the Commonwealth of Australia.
- (b) New BLY Parent 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.
- (c) New BLY Parent irrevocably waives any right it has to object to any legal process being brought in the courts of New South Wales including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

EXECUTED as a deed poll.

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

APPENDIX D: ASSUMPTION DEED POLL



Assumption Deed Poll

Boart Longyear Ltd

Corporation Number: 2854330

2021

ASSUMPTION DEED POLL

THIS DEED POLL is made on

2021

BY: Boart Longyear LTD, a limited company incorporated in Ontario, Canada (Corporation Number: 2854330) (**New BLY Parent**)

FOR THE BENEFIT OF:

- (A) each holder of the New Warrants (**New Warrant Holder**);
- (B) each holder of Class A 7% Warrants (**Class A 7% Warrant Holder**);
- (C) each holder of Class B 7% Warrants (**Class B 7% Warrant Holder**);
- (D) each holder of Ordinary Warrants (**Ordinary Warrant Holder**); a
- (E) each holder of a BLY Option (**Option Holder**); and
- (F) each eligible participant to the Long Term Incentive Plan (**Participant**).

RECITALS

- (A) If the Re-domiciliation Scheme becomes Effective, and subject to the terms of this Deed Poll, the New BLY Parent covenants in favour of:
 - (1) the New Warrant Holder to perform the obligations of BLY under the New Warrant Deed;
 - (2) the Class A 7% Warrant Holders to perform the obligations of BLY under the Class A 7% Warrant Deed Poll;
 - (3) the Class B 7% Warrant Holders to perform the obligations of BLY under the Class B 7% Warrant Deed Poll;
 - (4) the Option Holders to perform the obligations of BLY under the BLY Options; and
 - (5) the Participants to perform the obligations of BLY under the Long Term Incentive Plan.

NEW BLY PARENT DECLARES AS FOLLOWS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

2014 Options means the options granted to eligible participants to purchase fully paid share of BLY in accordance with the 2014 Option Plan.

2014 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2014 Options.

2015 Options means the options granted to eligible participants to purchase fully paid Shares of BLY granted in accordance with the 2015 Option Plan.

2015 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2015 Options.

2016 Options means the options granted to eligible participants to purchase fully paid shares of BLY in accordance with the 2016 Option Plan.

2016 Option Plan means the option plan established by BLY entitled "Boart Longyear Limited Option Plan" governing the 2016 Options.

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.

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 071 346 503, Australian Financial Licence number 254514), an approved general participant of ASX Settlement and a wholly owned subsidiary of ASX.

Beneficiary means each of the New Warrant Holders, Class A Warrant Holder, the Class B Warrant Holder, the Ordinary Warrant Holder the Option Holder and each Participant.

BCM means BL Capital Management LLC ARBN 649 445 321, a limited liability company formed under the laws of Delaware.

BLA means Boart Longyear Australia Pty Ltd 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 Issuer means Boart Longyear Management Pty Limited ACN 123 283 545.

BLY Option means each of the 2014 Options, 2015 Options and the 2016 Options.

BLY Share Register means the register of members of BLY maintained by or on behalf of BLY in accordance with section 168(1) of the Corporations Act.

BLY US means BLY US Holdings Inc. ARBN 649 445 394, 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.

CDI means 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.

Class A 7% Warrant means the 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.

Class A 7% Warrant Deed Poll means the class A 7% warrant deed poll dated 1 September 2017 executed by BLY.

Class B 7% Warrant means the 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.

Class B 7% Warrant Deed Poll means the class B 7% warrant deed poll dated 1 September 2017 executed by BLY.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditor Scheme Companies means BLY, BLY Issuer, BLA, BLI, Votaint, BCM and BLY US.

Deeds Poll means the New Warrant Deed Poll, Ordinary Warrant Deed Poll, Class A 7% Warrant Deed Poll and Class B 7% Warrant Deed Poll.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Re-domiciliation Scheme.

End Date means 31 December 2021.

GST Law means the same as "GST law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Long Term Incentive Plan means Boart Longyear's 2020 Long Term Incentive Plan effective 30 July 2020.

New BLY Parent CDI means a CDI representing one (1) New BLY Parent Share.

New BLY Parent Share means a fully paid common share in the capital of New BLY Parent.

New Warrants means the warrants issued by BLY on the terms set out in the New Warrant Deed Poll.

New Warrant Deed Poll means the new warrant deed poll to be entered into by BLY in connection with the Unsecured Creditors' Scheme.

Ordinary Warrant means quoted ordinary warrants trading on ASX initially issued in September 2017 to all eligible Shareholders, which are subject to the Ordinary Warrant Deed Poll.

Ordinary Warrant Deed Poll means the ordinary warrant deed poll dated 31 August 2017 executed by BLY.

Re-domiciliation Scheme means a members' scheme of arrangement in accordance with Part 5.1 of the Corporations Act between BLY and Shareholders pursuant to which BLY will become a wholly owned subsidiary of the New BLY Parent by the transfer of all Shares to the New BLY Parent in exchange for the issue of New BLY Parent CDIs.

Shares means fully paid ordinary shares in the capital of BLY.

Shareholder means each person who is registered in the BLY Share Register as a holder of Shares.

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 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 applicable Finance Documents.

SUN Debt means the aggregate outstanding amount, including all accrued and unpaid interest, owing to the SUN Noteholders under the applicable 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 23 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.

Term Loan A means the Term Loan A Securities Agreement dated 31 December 2018 between, amongst others, the Creditor Scheme Companies, 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 B 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, the Creditor Scheme Companies, 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 Purchasers means the "Purchasers" as that term is defined in the Term Loan A.

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 applicable Finance Documents.

TLB Purchasers means the "Purchasers" as that term is defined in the Term Loan B.

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 applicable Finance Documents.

Unsecured Creditors' Scheme means the compromise or arrangement under Part 5.1 of the Corporations Act between the Creditor Scheme Companies and the Unsecured Scheme Creditors and the Subordinate Claim Holders (as defined therein), being the compromise or arrangement proposed by the Creditors' Scheme Companies and approved by the Court in 2021.

Unsecured Scheme Creditors means:

- (a) the TLA Purchasers in respect of the TLA Unsecured Debt;
- (b) the TLB Purchasers in respect of the TLB Unsecured Debt;
- (c) the SSN Noteholders in respect of the SSN Unsecured Debt; and
- (d) the SUN Noteholders in respect of the SUN Debt.

Votrant means Votrant No. 1609 Pty Limited ACN 119 244 272.

1.2 **Rules for interpreting this document**

Headings and catchwords 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 to this document or to any other document or agreement includes a 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; and
 - (v) 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) 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.
- (g) 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.
- (h) The expression this document includes the agreement, arrangement, understanding or transaction recorded in this document.
- (i) Terms defined in the GST Law have the same meaning in this document unless the context otherwise requires.
- (j) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- (k) A reference to time in this document is a reference to time in Sydney, New South Wales.

2. **NATURE OF THIS DOCUMENT**

New BLY Parent acknowledges that this document is a deed poll and may be relied on and enforced by each Beneficiary in accordance with its terms even though the Beneficiaries are not parties to it.

3. **CONDITIONS PRECEDENT AND TERMINATION**

3.1 **Conditions precedent**

New BLY Parent's obligations under this document are subject to the Re-domiciliation Scheme becoming Effective.

3.2 **End Date**

The obligations of New BLY Parent under this document will lapse and be of no effect if the Re-domiciliation Scheme has not become Effective on or before the End Date.

4. **NEW BLY PARENT COVENANT TO ASSUME OBLIGATIONS**

Subject to clause 3, New BLY Parent covenants in favour of:

- (a) the New Warrant Holders to perform the obligations of BLY under the New Warrant Deed Poll;
- (b) the Class A 7% Warrant Holders to perform the obligations of BLY under the Class A 7% Warrant Deed Poll;
- (c) the Class B 7% Warrant Holders to perform the obligations of BLY under the Class B 7% Warrant Deed Poll;
- (d) the Ordinary Warrant Holders to perform the obligations of BLY under the Ordinary Warrant Deed Poll;
- (e) the Option Holders to perform the obligations of BLY under the BLY Options; and

- (f) the Participants to perform the obligations of BLY under the Long Term Incentive Plan,

provided that the requirement to issue Shares under the Deeds Poll, BLY Options and the Long Term Incentive Plan shall be satisfied by the issue of New BLY Parent Shares in the form of New BLY Parent CDIs.

5. REPRESENTATIONS AND WARRANTIES

New BLY Parent represents and warrants in favour of each Beneficiary that:

- (a) **(status)** it is a validly existing company under the laws of the Province of British Columbia; and
- (b) **(power)** it has full legal capacity and power to execute this document and to carry out the actions that this document contemplates with respect to that Beneficiary; and
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its execution of this document and its carrying out of the actions that this document contemplates with respect to that Beneficiary; and
- (d) **(documents effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms; and
- (e) **(no adverse regulatory action)** no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations to that Beneficiary under this document and, to the knowledge of New BLY Parent, no such regulatory action has been threatened or is proposed to be taken against New BLY Parent; and
- (f) **(New BLY Parent Share)** each New BLY Parent Share in the form of New BLY Parent CDIs issued to that Beneficiary in performance by New BLY Parent of its obligations under this document will, upon issue:
 - (i) be fully and non-assessable; and
 - (ii) be free from any security interest (other than as provided for under the constitution of New BLY Parent); and
 - (iii) rank equally in all respects with all New BLY Parent Shares in the form of New BLY Parent CDIs then on issue and outstanding.

6. CONTINUING OBLIGATIONS

This document is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of New BLY Parent having fully performed its obligations under this document or termination of this document pursuant to clause 3.

7. NOTICES

7.1 How to give a notice and when a notice is given

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email/electronic form such as email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:

- (i) if it is delivered, when it has been left at the addressee's address;
- (ii) if it is sent by mail, three Business Days after it is posted; and
 - (A) if it is sent in electronic form
 - (B) if it is transmitted by 5.00 pm on a Business Day – on that Business Day; or
 - (C) if it is transmitted after 5.00 pm on the Business Day, or on a day that is not a Business Day – on the next Business Day.

7.2 **Address for notices**

New BLY Parent's mail address and fax number are those set out below, or as New BLY Parent otherwise notifies:

New BLY Parent

Address: 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, Canada

Email address: rossamos@rogers.com and anikolic@fasken.com

Attention: Boart Longyear Ltd

8. **GENERAL**

8.1 **Costs and stamp duty**

New BLY Parent must bear and be responsible for:

- (a) its own costs arising out of the negotiation, preparation and execution of this document; and
- (b) any and all stamp duty (including any related fines or penalties) payable on or in respect of this document, or any transaction contemplated by it (including any transfer of Shares pursuant to the Re-domiciliation Scheme), and New BLY Parent indemnifies each Shareholder on demand against any liability for any and all such stamp duty.

8.2 **Assignment**

The rights and obligations of New BLY Parent and of each Shareholder under this document are personal and, except with the prior written consent of BLY and New BLY Parent cannot be assigned, encumbered, charged or otherwise dealt with.

8.3 **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.

8.4 **Operation of this document**

- (a) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document

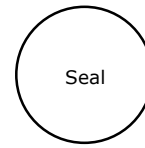
enforceable, unless this would materially change the intended effect of this document.

8.5 **Governing law**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the Province of British Columbia.
- (b) New BLY Parent submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document. New BLY Parent irrevocably waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

EXECUTED as a deed poll.

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

APPENDIX E: EXPLANATION OF CDI ARRANGEMENTS

1. **What are CDIs?**

As New BLY Parent intends to be listed on ASX, it will need to comply with ASX rules that require all trading settlement to take place on CHESS (ASX's electronic transfer and settlement system). New BLY Parent Shares cannot be directly held under the CHESS system or traded on ASX directly as regulations do not permit CHESS to be used for electronic transferring and holding of legal title to securities in companies incorporated under the Ontario Business Corporations Act (such as New BLY Parent). CDIs have been created to facilitate electronic settlement and transfer of title in Australia for companies in this situation. CDIs are units of beneficial ownership in foreign securities, where legal title to the securities is held by an Australian depository entity for the purpose of enabling transactions in the securities of foreign companies on ASX. New BLY Parent intends to appoint the Authorised Nominee, an approved general participant of ASX Settlement and a wholly-owned subsidiary of ASX, as the Australian depository entity to hold legal title to New BLY Parent Shares for the benefit of New BLY Parent CDI Holders. The Authorised Nominee will be the registered holder of those New BLY Parent Shares held for the benefit of New BLY Parent CDI Holders.

If New BLY Parents listing application is approved by ASX, New BLY Parent CDIs will be traded on ASX using CHESS (ASX's electronic transfer and settlement system), but New BLY Parent Shares- although quoted- cannot be traded on ASX.

Each New BLY Parent CDI Holder will be deemed to acknowledge and agree for the benefit of New BLY Parent that they are bound by the Articles and By-Laws in respect of any New BLY Parent CDIs issued to them. See Section 8 for a summary of the Articles and By-Laws.

2. **Ratio of New BLY Parent CDIs to New BLY Parent Shares**

Each New BLY Parent CDI will represent one underlying New BLY Parent Share.

3. **Holding Statements for New BLY Parent CDI Holders**

If a New BLY Parent CDI Holder is sponsored by a participant in CHESS, the holder can hold their New BLY Parent CDIs on the CHESS sub-register. Otherwise, New BLY Parent CDIs will be held on the issuer-sponsored sub-register.

Each New BLY Parent CDI Holder will receive a holding statement shortly following implementation of the Re-domiciliation with the reference number of their holding.

4. **What rights do I have as a New BLY Parent CDI Holder?**

Section 8.3 contains a summary of the principal rights attaching to New BLY Parent Shares.

As noted above, New BLY Parent CDI Holders will not have legal title in the underlying New BLY Parent Shares to which the New BLY Parent CDIs relate, as legal title to the New BLY Parent Shares will be held by the Authorised Nominee. New BLY Parent CDI Holders will, however, have beneficial ownership of the underlying New BLY Parent Shares.

The following provides an overview of the differences between holding New BLY Parent CDIs as opposed to New BLY Parent Shares, including the rights and entitlements of New BLY Parent CDI Holders.

(a) Dividends and Distributions

Under the ASX Settlement Operating Rules, New BLY Parent is generally required to treat New BLY Parent CDI Holders, in respect of the distribution of dividends and

other entitlements, as if they were the holders of the underlying New BLY Parent Shares.

Importantly, New BLY Parent CDI Holders are entitled to receive all the direct economic benefits and entitlements in relation to the New BLY Parent Shares held by the Authorised Nominee.

If a cash dividend or any other cash distribution is declared in a currency other than Australian dollars, New BLY Parent currently intends to convert that dividend or other cash distribution to which New BLY Parent CDI Holders are entitled to Australian dollars and distribute it to the relevant New BLY Parent CDI Holders in accordance with the New BLY Parent CDI Holder's entitlement.

Due to the need to convert dividends from Canadian dollars to Australian dollars in the above mentioned circumstances, New BLY Parent CDI Holders may potentially be advantaged or disadvantaged by exchange rate fluctuations, depending on whether the Australian dollar weakens or strengthens against the Canadian dollar during the period between the resolution to pay a dividend and conversion in Australian dollars.

(b) Corporate Actions

New BLY Parent is generally required to treat New BLY Parent CDI Holders, in respect of corporate actions, as if they were the holders of the underlying New BLY Parent Shares.

(c) Takeovers

If a takeover bid is made in respect of any New BLY Parent Shares of which the Authorised Nominee is the registered holder, the Authorised Nominee is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant New BLY Parent CDI Holders in respect of the New BLY Parent Shares represented by such holding of New BLY Parent CDIs, in accordance with the ASX Settlement Operating Rules.

The Authorised Nominee must accept a takeover offer in respect of New BLY Parent Shares represented by such holding of New BLY Parent CDIs if a New BLY Parent CDI Holder instructs it to do so and must notify the entity making the takeover bid of the acceptance.

(d) Rights on liquidation and winding up

In the event of New BLY Parent's liquidation, dissolution or winding up, a New BLY Parent CDI Holder will be entitled to the same economic benefit in relation to their New BLY Parent CDIs (through the Authorised Nominee) as holders of New BLY Parent Shares.

(e) Other rights

As New BLY Parent Shareholders will not be registered on the New BLY Parent Share Register as the legal owners of New BLY Parent Shares, any other right conferred on New BLY Parent CDI Holders may be exercised by means of them instructing the Authorised Nominee.

(f) Communications

New BLY Parent CDI Holders will receive all notices and company announcements (such as annual reports) that New BLY Parent Shareholders are entitled to receive from New BLY Parent.

(g) Voting

As noted in paragraph (f), New BLY Parent CDI Holders will be entitled to receive notice of any meeting of New BLY Shareholders.

In accordance with Canadian law and the ASX Settlement Operating Rules, a New BLY Parent CDI Holder will not be entitled to attend or vote personally as a New BLY Parent Shareholder at a meeting of New BLY Parent. Instead, in order to vote at a meeting of New BLY Parent, a New BLY Parent CDI Holder may instruct the Authorised Nominee, as legal owner of the New BLY Parent Shares, to:

- vote New BLY Parent Shares represented by their New BLY Parent CDIs in a particular manner. The instruction form must be completed and returned to the Registry prior to the record date fixed for the relevant meeting (**CDI Voting Instruction Receipt Time**), which is notified to New BLY Parent CDI Holder in the voting instructions included in a notice of meeting; or
- appoint the New BLY Parent CDI Holder or a third party nominated for that purpose by the New BLY Parent CDI Holder as the Authorised Nominee's proxy so that the proxy so appointed may attend meetings and exercise the votes attached to New BLY Parent Shares represented by their New BLY Parent CDIs. The instruction form must be completed and returned to the Registry prior to the CDI Voting Instructions Receipt Time.

Alternatively, a New BLY Parent CDI Holder can convert their New BLY Parent CDIs into a holding of New BLY Parent Shares and vote those New BLY Parent Shares at a meeting of New BLY Parent. Such conversion must be undertaken prior to the record date fixed by the New BLY Parent Board for determining the entitlement of members to attend and vote at the meeting. However, if the New BLY Parent Shareholder later wishes to sell their investment on ASX, it would be first necessary to convert those New BLY Parent Shares back to New BLY Parent CDIs. Further details on the conversion process are set out in Section 6 below.

5. Trading of New BLY Parent CDIs

New BLY Parent CDI Holders who wish to trade New BLY Parent CDIs will be transferring beneficial title to New BLY Parent Shares rather than legal title. The transfer will be settled electronically by delivery of the relevant New BLY Parent CDI holding through CHESSE. Trading in New BLY Parent CDIs is not substantially different to trading in other CHESSE approved securities (such as Shares).

On 30 September 2021, subject to the Re-domiciliation Scheme becoming Effective, New BLY Parent CDIs will commence trading initially on a deferred settlement basis and, after the Re-domiciliation Scheme Implementation Date, will commence trading on a normal settlement basis on 6 October 2021.

It is the responsibility of each Shareholder (who is not an Ineligible Foreign Shareholder) to determine their entitlement to New BLY Parent CDIs before trading in those securities to avoid the risk of selling New BLY Parent CDIs they do not or will not own. Any sale of New BLY Parent CDIs prior to receipt of confirmation of entitlement is done at the seller's own risk.

There is no certainty as to the price of New BLY Parent CDIs after the Re-domiciliation is implemented.

6. **Conversion of New BLY Parent CDIs into New BLY Parent Shares**

(a) **Converting New BLY Parent CDIs to New BLY Parent Shares**

If New BLY Parent CDI Holders wish to convert their New BLY Parent CDIs into New BLY Parent Shares they may do so by instructing the Registry:

- directly, in the case of New BLY Parent CDIs on the issuer sponsored sub-register operated by New BLY Parent; or
- indirectly, through their controlling participant (usually a broker) in the case of CDIs which are sponsored on the CHESS sub-register.

New BLY Parent will then arrange for the transfer of New BLY Parent Shares from the Authorised Nominee to the former New BLY Parent CDI holder and cause New BLY Parent Shares to be registered in the name of the holder on the Register, and trading on ASX will no longer be possible.

It is expected that this process will be completed in a relatively short time period, however, no guarantee can be given about the time for this conversion to take place.

(b) **Converting New BLY Parent Shares to New BLY Parent CDIs**

If New BLY Parent Shareholders wish to convert their New BLY Parent Shares into New BLY Parent CDIs, they may do so by contacting the Registry. In this instance, underlying New BLY Parent Shares will be transferred to the Authorised Nominee and a holding statement for the New BLY Parent CDIs will be issued to the relevant security holder. No trading in the New BLY Parent CDIs should take place on ASX until this transfer process is complete.

(c) **Further information**

ASX Guidance Note 5 CHESS Depositary Interests (CDIs) (available here: https://www.asx.com.au/documents/rules/gn05_chess_depositary_interests.pdf) and the Authorised Nominee's Understanding CHESS Depositary Interests (available here: https://www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf) both provide information on the differences between holding CDIs and the underlying securities.

You can also contact your broker or the Registry at the details provided below:

Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

APPENDIX F: NOTICE OF RE-DOMICILIATION SCHEME MEETING

Boart Longyear Limited (ABN 49 123 052 718)

Notice is given that, by order of the Supreme Court of New South Wales made on 29 July 2021, pursuant to section 411(1) of the Corporations Act, a meeting of shareholders of Boart Longyear Limited (**BLY** or the **Company**) will be held at Ashurst, Level 11, 5 Martin Place Sydney NSW 2000 at 10:30am (Sydney time) on 8 September 2021 (**Re-domiciliation Scheme Meeting**). Shareholders who are unable to, or do not wish to, attend the Re-domiciliation Scheme Meeting in person may attend and participate online through an online platform by accessing the following link: <https://agmlive.link/BLYSM21>.

More detailed instructions on how to participate in the Re-domiciliation Scheme Meeting via the online platform are set out in the explanatory memorandum that accompanies and forms part of this Notice of Re-domiciliation Scheme Meeting.

Capitalised terms in this Notice of Re-domiciliation Scheme Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Memorandum.

To enable you to make an informed voting decision, important information about the Re-domiciliation Scheme is set out in the enclosed Explanatory Memorandum.

Re-domiciliation Scheme Meeting format

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, BLY encourages Shareholders to attend the Re-domiciliation Scheme Meeting online or lodge a directed proxy form in advance of the Re-domiciliation Scheme Meeting, rather than planning on attending the meeting in person. If you wish to appoint a proxy, please follow the steps on the proxy form and lodge it by 10:30 am (Sydney time) on 6 September 2021.

Shareholders who are unable to, or do not wish to, attend the Re-domiciliation Scheme Meeting in person will have the opportunity to participate in the meeting online. Further details on how to participate are set out in the explanatory memorandum that accompanying this Notice of Re-domiciliation Scheme Meeting.

BUSINESS OF THE MEETING

The purpose of the Re-domiciliation Scheme Meeting to be held pursuant to this notice is to consider and, if thought fit, to agree (with or without any modification thought fit by the Court and approved in writing by BLY and New BLY Parent) to a scheme of arrangement proposed to be made between Boart Longyear Limited and the Shareholders.

Resolution – Approval of the Re-domiciliation Scheme

"That, pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Company and the holders of its ordinary shares, the terms of which are described in the explanatory memorandum ("the Scheme"), of which the notice convening this meeting forms part, is approved (with or without alterations or conditions as approved by the Court to which the Company and New BLY Parent agree), and the Board of Directors of the Company is authorised to agree to any such alterations or conditions, and, subject to approval of the Scheme by the Court, to implement the Scheme with any such alterations or conditions."

Important note:

Unless otherwise indicated, the chairman of the meeting will be Jason Ireland of McGrath Nicol (**Chairman**). The Chairman intends to vote all available proxies in favour of the resolution.

By order of the Court



Nora Pincus

Company Secretary

NOTES

Explanatory Memorandum

The Explanatory Memorandum enclosed with this Notice of Re-domiciliation Scheme Meeting forms part of this Notice of Re-domiciliation Scheme Meeting. You should read the Explanatory Memorandum and the accompanying appendices in its entirety before making a decision as to how to vote on the Re-domiciliation Scheme Resolution.

The purpose of the Explanatory Memorandum is to explain the terms of the Re-domiciliation and the manner in which the Re-domiciliation will be considered and implemented (if approved), to set out certain information required by law and to provide all other information (other than information previously disclosed to Shareholders) which is known to BLY, and which is material to the decision of Shareholders whether or not to vote in favour of the Re-domiciliation Scheme Resolution.

Entitlement to Attend and Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the BLY Board has determined that persons who are registered holders of Shares as at 7:00pm on 6 September 2021 will be entitled to attend and vote at the Re-domiciliation Scheme Meeting as a Shareholder. Accordingly, transactions registered after that time will be disregarded for determining which Shareholders are entitled to attend and vote at the Re-domiciliation Scheme Meeting.

Approval of the Re-domiciliation Scheme Resolution

The Re-domiciliation Scheme Resolution must be approved by:

- (a) a majority in number (more than 50%) of those Shareholders present and voting at the Re-domiciliation Scheme Meeting in person, by proxy, by attorney or (in the case of a corporate Shareholder) by a corporate representative; and
- (b) at least 75% of the total number of votes cast on the Re-domiciliation Scheme Resolution at the Re-domiciliation Scheme Meeting by Shareholder.

Attending and participating in the Re-domiciliation Scheme Meeting

As a result of the potential health risks and the government's restrictions in response to the COVID-19 pandemic from time to time, BLY encourages Shareholders to attend the Re-domiciliation Scheme Meeting online or lodge a proxy in advance of the Re-domiciliation Scheme Meeting, rather than attending the meeting in person.

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

Attending online

Shareholders and their proxies, attorneys or corporate representatives who are unable to attend the Re-domiciliation Scheme Meeting physically will be able to participate online from their computer or mobile device by:

- (a) entering the following URL into their browser: <https://agmlive.link/BLYSM21>; and
- (b) following the steps set out in the Virtual meeting Online Guide at Appendix G.

Participating in the Re-domiciliation Scheme Meeting via the online platform will allow Shareholders, their proxies, attorneys or corporate representatives to listen to the Re-domiciliation Scheme

Meeting live, view slides, ask questions during the Re-domiciliation Scheme Meeting and vote directly through the online platform in real time any time from commencement of the Re-domiciliation Scheme Meeting to the closure of voting as announced by the Chair during the meeting.

To participate and vote online, Shareholders (or their attorney or corporate representative, as applicable) will need the following information:

- (a) your full name;
- (b) mobile number;
- (c) email address;
- (d) company name (if applicable); and
- (e) if you are an individual or joint securityholder:
 - (i) your securityholder number; and
 - (ii) postcode; or
- (f) if you are an appointed proxy, the proxy number issued to you by the Registry.

Further information about the online platform can be found in the Virtual Meeting Online Guide at Appendix G.

Even if you plan to attend the Re-domiciliation Scheme Meeting online, we encourage you to submit a directed proxy vote as early as possible by completing and returning the proxy form Shareholders will receive either electronically or in hard copy, or lodging your proxy form online at www.linkmarketservices.com.au.

Registration will open 30 minutes prior to the start of the Re-domiciliation Scheme Meeting. We recommend logging on to the online platform at least 15 minutes prior to the scheduled start time for the Re-domiciliation Scheme Meeting. If you experience technical difficulties, please call 1800 990 363.

Voting by Proxy

A Shareholder entitled to attend and vote at the Re-domiciliation Scheme Meeting may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Re-domiciliation Scheme Meeting.

A proxy need not be a Shareholder.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

Details for completion and lodgement of proxies are on the reverse side of the **Proxy Form**. To be effective, the proxy must be received at the Registry no later than 10:30am on 6 September 2021. Proxies must be received before that time by one of the following methods:

- | | |
|----------|---|
| Online | At www.linkmarketservices.com.au |
| By post: | Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14 |

Sydney South NSW 1235
Australia

Facsimile: In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309

By delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

Voting by Attorney

If voting by attorney, the power of attorney appointing the attorney must be duly signed by you and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used.

The power of attorney, or a certified copy of the power of attorney, must be received by the Registry by 10:30am (Sydney time) on 6 September 2021 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (a) by post in the provided reply-paid envelope to the Registry at the following address:

Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- (b) by delivery to the following address:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

- (c) by fax to the Registry on:

In Australia (02) 9287 0309

From outside Australia +61 2 9287 0309

Please note that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by a mobile device.

If attending:

- in **person**, attorneys of eligible Shareholders will be admitted to the Re-domiciliation Scheme Meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, (as previously provided to the Registry in accordance with the requirements set out above), their name and address, and the name of their appointors;
- **online**, by logging into the virtual meeting platform at <https://agmlive.link/BLYSM21> and register to view the meeting by entering your name and contact details, to register as a shareholder and vote, click the "get a Voting Card" option on the screen. You will be required

to enter your SRN or HIN and postcode or country to proceed. Once you have your voting card, it may be submitted at any time during the meeting.

For further information, please refer to the Virtual Meeting Guide at Annexure G to the Explanatory Memorandum.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

- **Voting by Corporate Representative**

A body corporate that is a Shareholder who is eligible to vote on the Re-domiciliation Scheme Resolution, or that has been appointed as a proxy by a Shareholder eligible to vote on the Re-domiciliation Scheme Resolution, is entitled to appoint any person to act as its representative at the Re-domiciliation Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act meaning that BLY will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act.. An appointment form may be obtained from the Registry by calling +61 1800 781 633 (within and outside Australia) Monday to Friday between 9:00am to 5:00pm (AEST). The certificate of appointment may set out restrictions on the representative's powers.

If the corporate representative will be attending the Re-domiciliation Scheme Meeting in person, the corporate representative must bring a copy of the appointment form with it to the Re-domiciliation Scheme Meeting.

Except where the corporate representative is attending the Re-domiciliation Scheme Meeting in person, the appointment form must be received by the Registry before 10:30 am (Sydney time) on 6 September 2021 (or, if the Re-domiciliation Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (a) by post in the provided reply-paid envelope to the Registry at the following address:

Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- (b) by delivery to the following address:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

- (c) by fax to the Registry on:

In Australia (02) 9287 0309

From outside Australia +61 2 9287 0309

Please note that an appointment form for appointing body corporate representative cannot be lodged online or by a mobile device.

If an appointment form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney

or other authority, must accompany the completed appointment form unless the power of attorney or other authority has previously been noted by the Registry.

If attending:

- **in person**, corporate representatives of eligible Shareholders will be admitted to the Re-domiciliation Scheme Meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors; or
- **online**, by logging into the virtual meeting platform at <https://agmlive.link/BLYSM21> and register to view the meeting by entering your name and contact details, to register as a shareholder and vote, click the "get a Voting Card" option on the screen. You will be required to enter your SRN or HIN and postcode or country to proceed. Once you have your voting card, it may be submitted at any time during the meeting.

For further information, please refer to the Virtual Meeting Online Guide at Annexure G.

Attending physically

If you or your proxies, attorneys or corporate representative(s) plan to attend the Re-domiciliation Scheme Meeting in person, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the BLY Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

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

How to ask questions

Shareholders who would like to ask questions at the Re-domiciliation Scheme Meeting are encouraged to do so in writing by submitting your question to the Registry by 5.00 pm on Wednesday, 1 September 2021. You can also submit your questions in advance of the Re-domiciliation Scheme Meeting online at www.linkmarketservices.com.au by 10.30 am on Monday, 6 September 2021.

Alternatively, Shareholders can submit questions when attending the Re-domiciliation Scheme Meeting either in person or, if attending online, via the online platform. More information regarding how to participate in the Re-domiciliation Scheme Meeting online (including how to ask questions online during the meeting) is available in the Virtual Meeting Online Guide which is set out in Appendix G.

Due to time constraints, BLY cannot guarantee that all questions asked prior to or at the Re-domiciliation Scheme Meeting will be answered

Technical difficulties

Technical difficulties may arise during the course of the Re-domiciliation Scheme Meeting. The Chairman has discretion as to whether and how the Re-domiciliation Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chairman will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Re-domiciliation Scheme Meeting is affected. In these circumstances, where the Chairman considers it appropriate, the Chairman may continue to hold the Re-domiciliation Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy

instructions. For this reason, Shareholders are encouraged to lodge a proxy by 10:30am (Sydney time) on 6 September 2021 even if they plan to attend the Re-domiciliation Scheme Meeting online.

Further information

If you have any additional questions in relation to this Explanatory Memorandum or the Re-domiciliation, please call the Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (from outside Australia) on Business Days from 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays).

Alternatively, you should consult your financial, legal, taxation or other independent and appropriately licensed and authorised professional adviser.

APPENDIX G: VIRTUAL MEETING ONLINE GUIDE

Virtual Meeting Online Guide

Before you begin

Ensure your browser is compatible.
Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

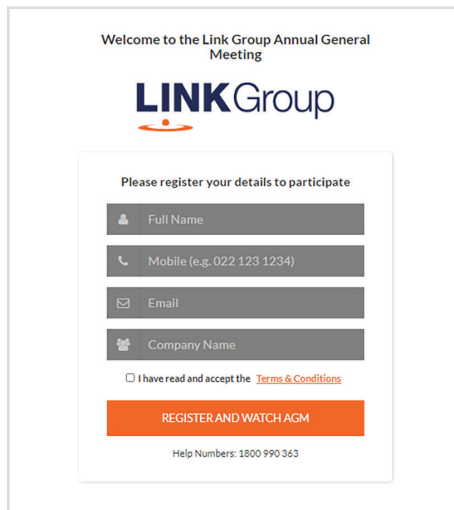
- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up

To attend and vote you must have your securityholder number and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Virtual Meeting Online Guide



Welcome to the Link Group Annual General Meeting

LINKGroup

Please register your details to participate

Full Name

Mobile (e.g. 022 123 1234)

Email

Company Name

☐ I have read and accept the [Terms & Conditions](#)

REGISTER AND WATCH AGM

Help Numbers: 1800 990 363

Step 1

Open your web browser and go to

- (1) Extraordinary General Meeting
<https://agmlive.link/BLYEGM21> and
- (2) Scheme Meeting
<https://agmlive.link/BLYSM21>

Step 2

Log in to the portal using your full name, mobile number, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

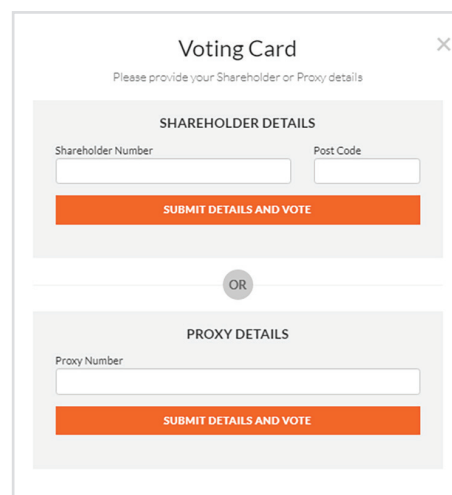
- On the left – a live audio webcast of the Meeting
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.



Voting Card

Please provide your Shareholder or Proxy details

SHAREHOLDER DETAILS

Shareholder Number Post Code

SUBMIT DETAILS AND VOTE

OR

PROXY DETAILS

Proxy Number

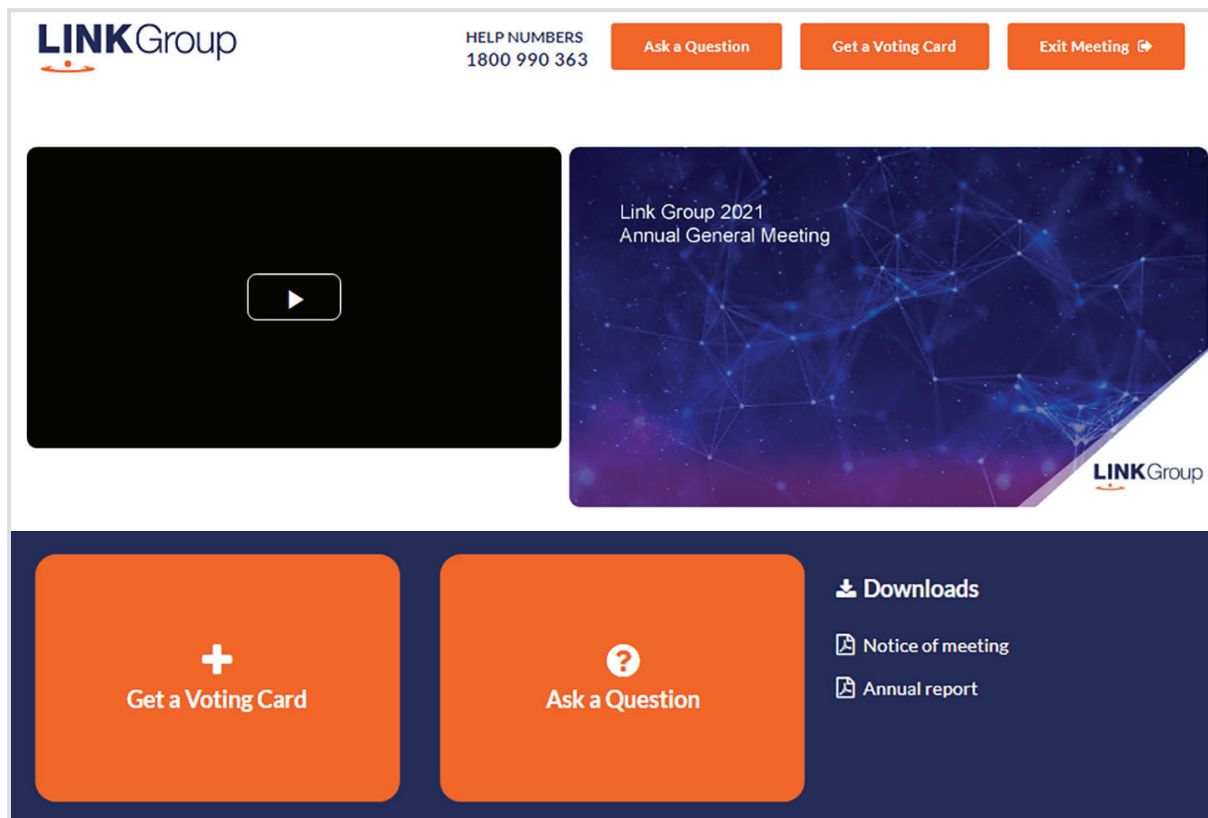
SUBMIT DETAILS AND VOTE

If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.



ABC COMPANY PTY LTD
X123456789

Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the Unitholder's voting instructions.

Full Vote
Partial Vote

Resolution 2B RE-ELECTION OF MR. ABC AS A DIRECTOR	<input checked="" type="radio"/> For <input type="radio"/> Against <input type="radio"/> Abstain
Resolution 2C RE-ELECTION OF MS. XYZ AS A DIRECTOR	<input checked="" type="radio"/> For <input type="radio"/> Against <input type="radio"/> Abstain
Resolution 3 INCREASE TO DIRECTORS' MAXIMUM FEE POOL LIMIT	<input checked="" type="radio"/> For <input type="radio"/> Against <input type="radio"/> Abstain
Resolution 4 ADOPTION OF REMUNERATION REPORT	<input checked="" type="radio"/> For <input type="radio"/> Against <input type="radio"/> Abstain

SUBMIT VOTE

Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

Once voting has been closed all submitted voting cards cannot be changed.

Virtual Meeting Online Guide *continued*

2. How to ask a question

Note: Only securityholders are eligible to ask questions.

If you have yet to obtain a voting card, you will be prompted to enter your security holder number or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The '**Ask a Question**' box will then pop up with two sections for completion.

Ask a Question

We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

Regarding General Business

Question

Type your question here...

Submit Question

In the '**Regarding**' section click on the drop down arrow and select the category/resolution for your question.

Click in the '**Question**' section and type your question and click on 'Submit'.

A '**View Questions**' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.

View Questions

Your submitted questions can be viewed below. We will endeavour to answer all questions during the AGM.

When will the next AGM be held?

Asked regarding General Business

Asked at: 7:18AM Updated: 7:18AM

OPEN COMMENTS

SUBMIT ANOTHER QUESTION

3. Downloads

View relevant documentation in the Downloads section.

4. Voting closing

Voting will end 5 minutes after the close of the Meeting.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

Contact us

Australia

T 1300 554 474

E info@linkmarketservices.com.au

New Zealand

T +64 9 375 5998

E enquiries@linkmarketservices.co.nz