



Boart Longyear Limited
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26 May 2021

Boart Longyear Annual General Meeting - Slide Deck

Please find attached for release to the market, the *AGM Slide Deck*, including the *President and CEO's Presentation*, to be presented this morning to the Company's Annual General Meeting.

Authorised for lodgement by:

Nora Pincus,
Company Secretary

About Boart Longyear

Established in 1890, Boart Longyear is in its 130th year as the world's leading provider of drilling services, orebody-data-collection technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Geological Data Services division utilizes innovative scanning technology and down-hole instrumentation tools to capture detailed geological data from drilled core and chip samples. This valuable orebody knowledge gives mining companies the ability to make timely decisions for more efficient exploration activities.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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Annual General Meeting May 2021 Virtual Meeting



LSTTM250 Sonic Rig



2021 Annual General Meeting Chairman's Welcome

2021 Annual General Meeting

Chairman's Welcome



Good morning everyone. My name is Jason Ireland and I will be the Chairman of the Meeting for today's Boart Longyear Limited Annual General Meeting.

I am very pleased to welcome all shareholders participating online today through Boart Longyear's virtual meeting platform, provided by our share registrar, Link Market Services Limited.

Shareholders using the online platform will be able to listen to the meeting in real-time, as well as submit votes and questions via the online platform during the meeting.



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2021 Annual General Meeting Director Introductions

2021 Annual General Meeting

Director Introductions



Kevin McArthur - Chairman



Jeffrey Olsen - President & CEO



Tye Burt



James Kern



Rubin McDougal



Robert Smith



Conor Tochilin



Longyear™ Diamond Coring Bits



2021 Annual General Meeting
Opening of Meeting

2021 Annual General Meeting

Opening of Meeting



The Company Secretary has advised that there is a quorum present for the Meeting. Therefore, I formally declare open, the 2021 Annual General Meeting of the shareholders of Boart Longyear Limited.

2021 Annual General Meeting

Meeting Agenda



The agenda for today's Meeting is as follows:

- Firstly, Jeff Olsen will present his review of Boart Longyear's activities.
- We will then proceed with the formal business of the Meeting and the three resolutions to be put to the Meeting today.



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Annual General Meeting
May 2021
Virtual Meeting

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- This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in any jurisdiction. Neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.
- The Company has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.
- This presentation includes forward-looking statements within the meaning of securities laws. Any forward-looking statements involve known and unknown risks and uncertainties, many of which are outside the control of the Company and its representatives. Forward-looking statements may also be based on estimates and assumptions with respect to future business decisions, which are subject to change. Any statements, assumptions, opinions or conclusions as to future matters may prove to be incorrect, and actual results, performance or achievement may vary materially from any projections and forward-looking statements.
- Due care and attention should be undertaken when considering and analysing the financial performance of the Company.
- All references to dollars are to United States currency unless otherwise stated, and all financial results presented may not be audited.



MDR™500 Underground Coring Rig



**2021 Annual General Meeting
President & CEO's Address
Jeff Olsen**

Boart Longyear is...



**The world's leading provider
of drilling services**

**An expert in providing
valuable orebody knowledge**



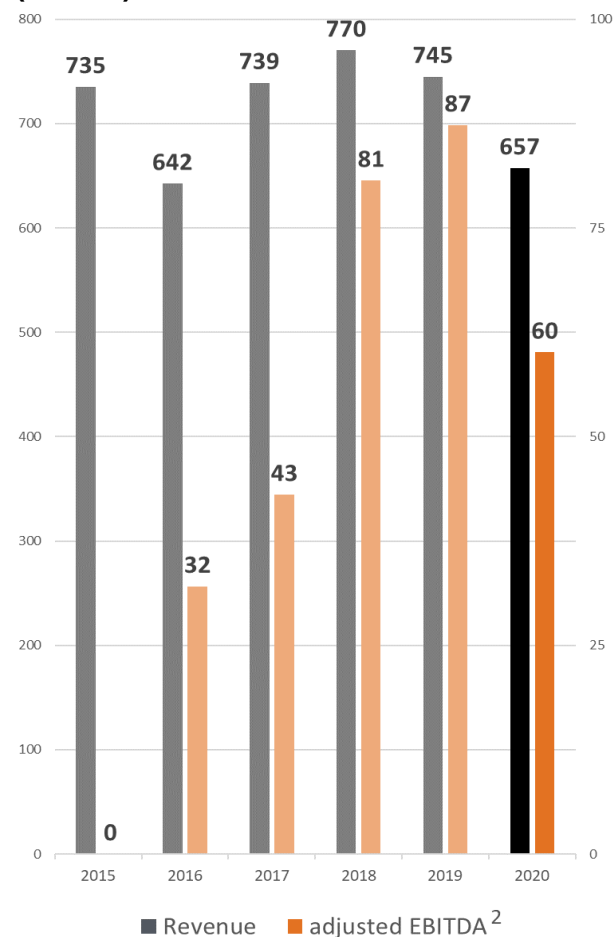
**A pioneer in drilling equipment
and performance tooling**

FULL YEAR 2020 HIGHLIGHTS

- Material impact of COVID-19 on operating performance



(US \$M)



FINANCIAL PERFORMANCE

REVENUE
(11%)



NET PROFIT AFTER TAX³
Neg \$99M
(2021 – Neg \$57M)



ADJUSTED EBITDA²
\$60M
(2021 – \$87M)



OPERATING CASH FLOW
\$49M
(2021 – \$35M)



KEY ACHIEVEMENTS

COVID-19 PANDEMIC
Business continuity plan implemented generating 25% savings



SENIOR SECURED NOTEHOLDERS
2020 Cash Interest converted to PIK preserving \$25M liquidity in light of pandemic

FOURTH QUARTER GROWTH POSITIVE FOR 2021

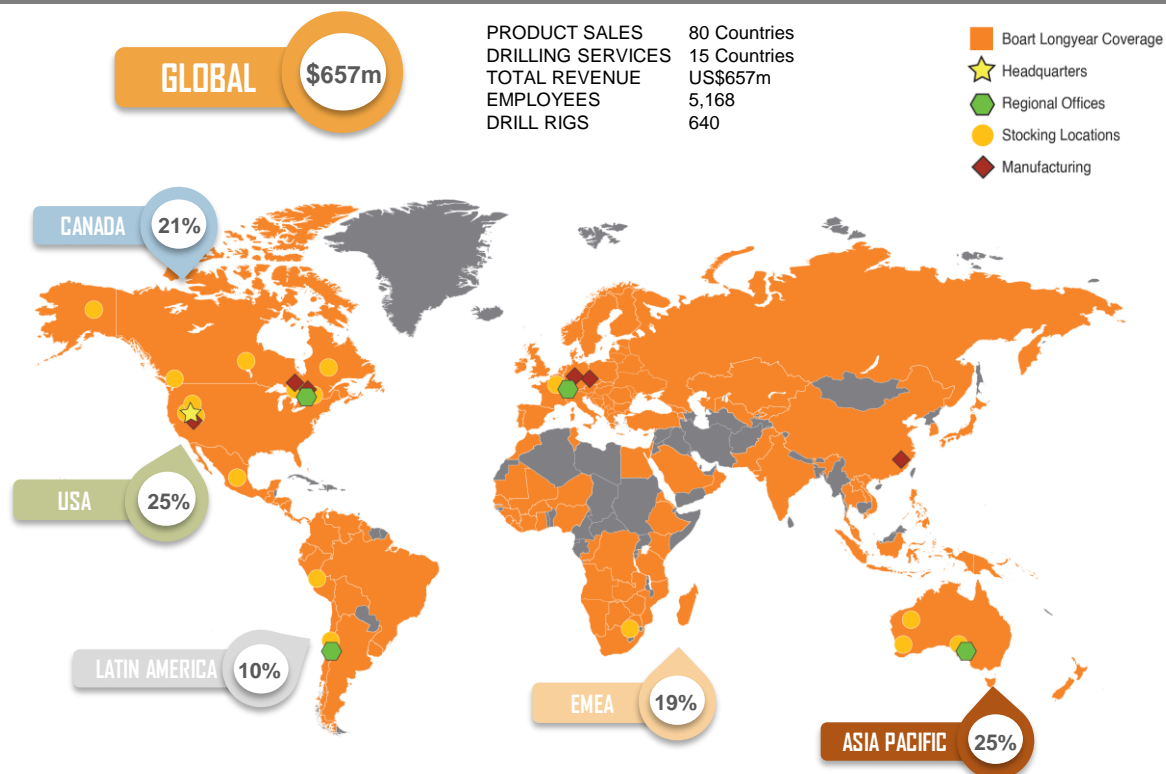


SAFETY

LTIR
0.10
(2021 – 0.02) ¹

TCIR
1.61
(2021 - 1.39) ¹

World's Leading Provider of drilling services, equipment, tooling and resource knowledge



MAKING SAFETY PERSONAL

- Proven Safety & Reliability
- Focused Critical Risk Management
- Customer Alignment

ENHANCED OREBODY KNOWLEDGE

- A Pioneer in Drilling Equipment & Performance Tooling
- More Than 400 Patents & Over 400 Trademarks
- Helping You Drill Better



130 YEARS OF INNOVATION

- Scan Core & Chips Onsite
- Real-Time Results
- Lower Cost of Exploration
- Driller Deployable Digital Technologies



Geological Data Services

A step change in the way we do business



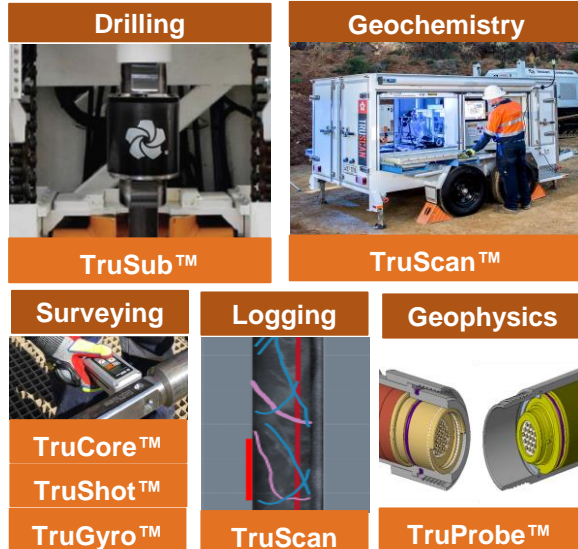
Problem

Mineral exploration uses inefficient systems for the collection of data to obtain orebody knowledge.

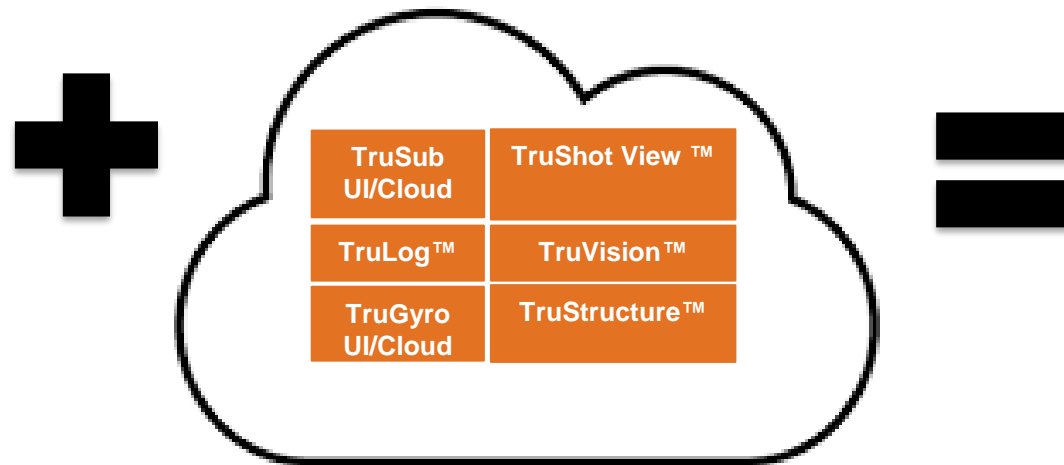
Solution

We develop digital sensor technologies deployed at the drill rig along with data analytics and machine learning to efficiently deliver high resolution, accurate and consistent data as a service to enhance orebody knowledge.

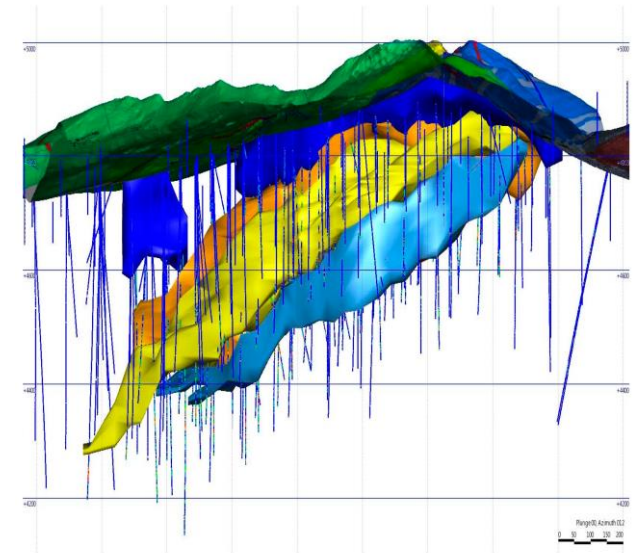
Innovative Digital Technologies



Data Analytics, Machine Learning, Data as a Service



Enhanced Orebody Knowledge in Realtime



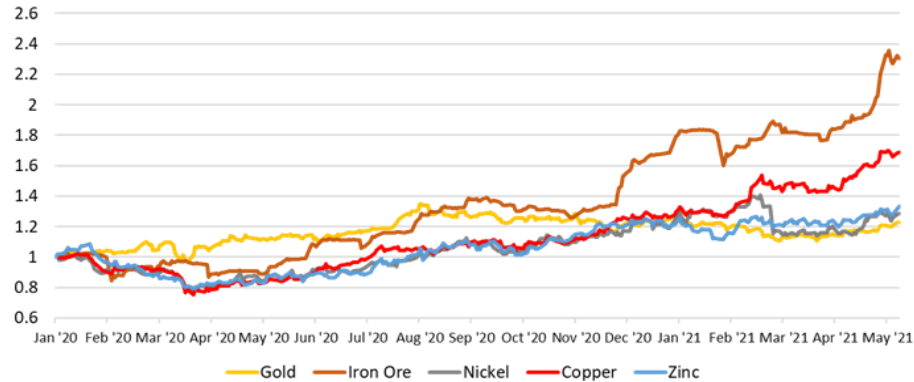
Global Exploration Market

- Strong leading indicators point to increased demand for exploration spend



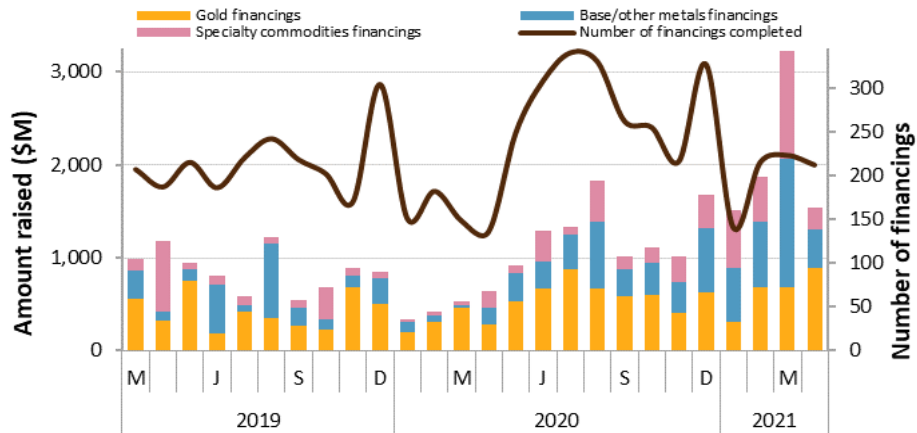
All Key Commodities Strengthening

Key Commodity Prices Indexed to 1 Jan 2020



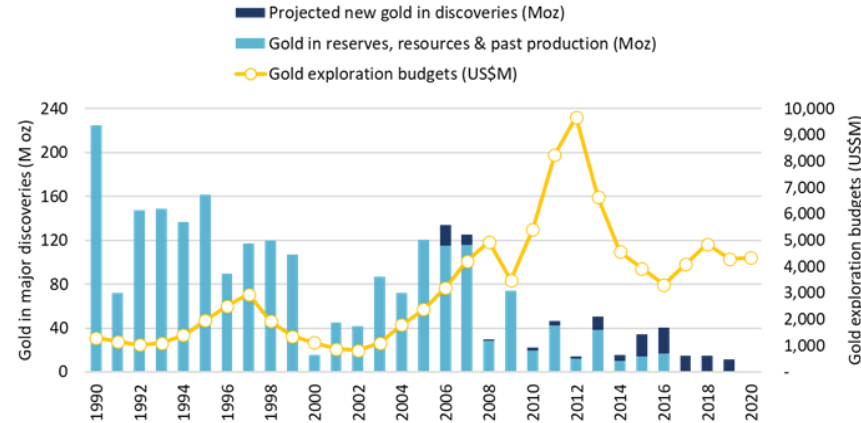
Source – S&P Global Markets Analysis

Raisings reach an 8-year high



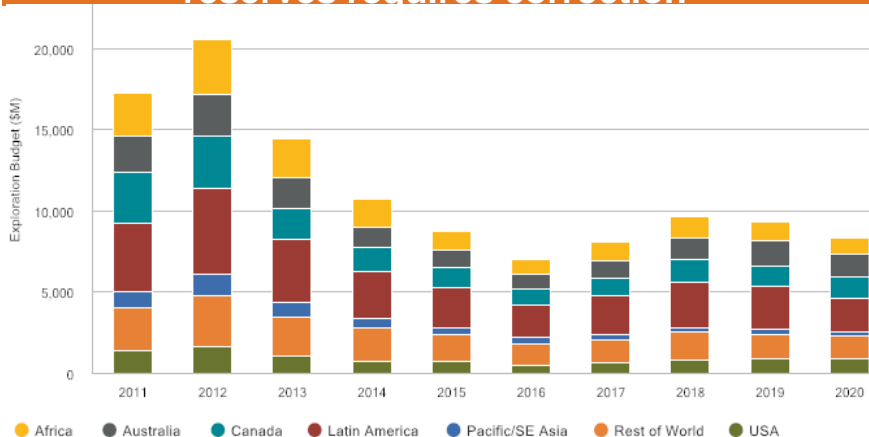
Source – S&P Global Markets Analysis

Gold Reserves Steadily Declining



Source – S&P Global Markets Analysis

Underinvestment on replacing reserves requires correction⁶



Source – S&P Global Markets Analysis

Exploration Spend

Pricing of all key commodities strengthened over the past 12 months

- Goldman Sachs & JP Morgan indicating commodities super-cycle has begun

Gold miners reporting strong results and balance sheets, but need to replace reserves

- Gold pricing holding at historic highs of \$1,800 an ounce and new gold discoveries at historic lows

Equity raisings reach an 8-year high in 2020

- Base metals capital raisings beginning to accelerate on supply deficit forecasts & expected growth in green energy & emergence of EV market

Exploration under-investment now at critical levels

- Distinct correlation between exploration investment and commodity pricing

Business Metrics: First Quarter 2021

- Level of exploration & mining activity last experienced before 2014



VOLUMES

22%

Earlier start to drill season and increasing demand for our products and services

PROFITABILITY

US\$ **26M**
(2020 – US\$9M)
Adjusted EBITDA²

Results reflect underlying improvement in volumes driven by market demand

OPERATING CASH FLOW

US\$ **10M**
(2020 – US\$5M)

Improved net cash flow provided by operating activities with NWC initiatives achieving targets

LIQUIDITY

us\$ **43.7M**
(2020 - \$31.7)

Increased liquidity levels to support growth

CAPITAL DEPLOYED

US\$ **12.2M**
(2020 – US\$7.4M)

Investment in Organic opportunities

LEVERAGE

Net Debt/EBITDA²
Leverage
10.4x
(2020 – 9.6x)

Net Debt Remains too high
US\$ **869M**
(2020 – US\$774M)

CASH RETURN ON INVESTMENT

8.4%
(2020 – 9.8%)

Business maintaining returns through more efficient use of assets

SAFETY PERFORMANCE

LTIR¹
0.14
(2020 – 0.23)

TCIR¹
1.38
(2020 – 1.48)

Major Milestone Reached Toward a Sustainable Future

- Looking ahead to a new Boart Longyear



1

Substantial Benefits from Recapitalisation

Reducing substantial debt, lowering interest expense, enhancing liquidity

2

Debt Decreases Significantly

Lowered to <\$200 million by converting \$787M of debt to 98.5% of equity

3

Recapitalization is Absolutely Necessary

Provides best path to recovery for both debt and equity holders

4

Underlying Business is Sound

Operations are competitive, demand increasing, outlook very bright

5

While Shareholders Value Will be Diluted...

... They will be given opportunity to purchase additional equity

6

Business is Operating in the Ordinary Course

Employees, suppliers and customers can expect no change

7

Moving Ahead with Redomiciliation Proposal

Would transition legal domicile while retaining an ASX listing

For complete terms, please refer to restructuring support agreement lodged with ASX on 13 May 2021

Boart Longyear Recapitalisation Initiative

- Implementation process underway



For complete terms, please refer to restructuring support agreement lodged with ASX on 13 May 2021

Delivering on Strategic Objectives maintains clear industry leadership

- We build our customers' orebody knowledge



Summary

Drilling activities are improving and market fundamentals support growth in 2021

- Decisive actions taken early to combat impacts of COVID-19; cost structure ready for future growth
- Continued introduction of GDS technologies receiving strong industry support
- Growth through the first quarter in line with improving industry metrics

Market

Industry metrics indicate strong upside potential

- Gold prices attractive with Copper deficit to drive upside. Underinvestment requires correction
- Government stimulus, green energy policies & emergence of EV support upside
- April 2021 the 11th consecutive month of equity raisings greater than \$1B

Balance Sheet

Capital structure solution proposed; Growth limited by available liquidity

- Major milestone agreed to by overwhelming majority of lenders
- Interim liquidity in place and plan for long-term financing of remaining debt
- If schemes approved, recapitalization expected to be complete by September 2021

Year Ahead

Activity levels increasing but potential for some COVID-19 limitations

- If schemes approved, recapitalization expected to be complete by September 2021
- Investing in equipment & technologies to meet the growing demands of our diverse customer base



Questions?





- **Footnote 1:** Per 200,000 work hours.
- **Footnote 2:** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company's financial results by adding back significant items (i.e., charges relating to recapitalization, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.
- **Footnote 3:** Net Profit after Tax was impacted through the year by a number of Non-Cash and Non-Recurring adjustments including impairments, debt modification and other restructuring charges



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AGM Meeting Formalities



Consideration of Financial Report, Directors' Report and Independent Audit Report for year ended 31 December 2020

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LSTTM250 Sonic Rig



2021 Annual General Meeting Resolutions



Re-election of Mr Jason Ireland

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr Jason Ireland, having been appointed as an additional director to the Board of the Company on 1 September 2017 in accordance with the Company’s Constitution and having offered himself for election and being eligible, is hereby re-elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

2021 Annual General Meeting Proxy Results



Resolution 1	For	Against	Open	Abstain
Re-election of Mr. Jason Ireland				
Proxies Received	70,813,500	17,617	69,573	4,303



Re-election of Mr Robert Smith

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr Robert Smith, having been appointed as an additional director to the Board of the Company on 1 September 2017 in accordance with the Company’s Constitution and having offered himself for election and being eligible, is hereby re-elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

2021 Annual General Meeting Proxy Results



Resolution 2	For	Against	Open	Abstain
Re-election of Mr. Robert Smith				
Proxies Received	70,811,000	17,617	69,573	6,803



Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That, in accordance with section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report as set out in the Company's Annual Report for the financial year ended 31 December 2020, be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2021 Annual General Meeting Proxy Results



Resolution 3	For	Against	Open	Abstain
Adoption of the Remuneration Report				
Proxies Received	68,661,171	674,732	68,039	6,329



Questions?





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Annual General Meeting
May 2021 - Virtual Meeting
Closure

