



Boulder Steel Ltd

ABN 78 009 074 588

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Postal: PO Box 1974, WEST PERTH, WA, 6872

27 February 2015

Mr Ben Tippet
Advisor, Listings Compliance (Perth)
Australian Securities Exchange
Level 40,
152-158 St Georges Terrace
Perth, WA, 6000

Dear Ben,

**RELEASE OF BOULDER STEEL LIMITED FINANCIAL RESULTS FOR THE HALF
YEAR ENDED 31 DECEMBER 2014**

In accordance with the ASX Listing Rules, I enclose the following for release:

1. Appendix 4D – half yearly report;
2. Half year financial report for the half year ended 31 December 2014 including the Directors' Report.

Yours faithfully

Andrew Rowell
Company Secretary



Boulder Steel Ltd and controlled entities

Appendix 4D

Half-year report

for the half-year ended 31 December 2014

Name of entity: **BOULDER STEEL LTD**

ABN: **78 009 074 588**

Current Reporting Period **31 December 2014**

Previous Reporting period **31 December 2013**

Results for announcement to the market.

Item 1

	Half-year ended 31 December			
Operating Performance	2014 \$000	2013 \$000	Movement \$000	Movement %
Revenue from continuing activities	-	-	-	-
Profit/(loss) from continuing activities after income tax	(875)	(392)	(483)	(123)
Net profit/(loss) for the half year attributable to members	(875)	(392)	(483)	(123)

Item 2

Dividends
It is not proposed to pay dividends.
There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half year ended 31 December 2014.



Item 3 – Brief Explanation

Please refer to the commentary in the review of results and operations section of the Directors Report – Half yearly accounts.

Item 4

	Half-year ended 31 December			
Net Tangible Assets	2014 \$	2013 \$	Movement \$	Movement %
Net tangible assets per security for Group	0.0058	0.0014	0.0044	314%

Item 5

Control gained or lost over Entities during the period
Not applicable.

Item 6

	Ownership interest as at	
Controlled Entities and joint ventures	31 December 2014 %	30 June 2014 %
Parent Entity: Boulder Steel Ltd		
Controlled entities:		

All companies are incorporated in Australia unless otherwise noted.

Item 7

Accounting Standards
The financial report has been prepared in compliance with Australian Accounting Standards AASB 134 <i>Interim Financial Reporting</i>



Item 8

Auditors review report
Our half-year report is based on the financial report of Boulder Steel Ltd and its controlled entities for the half-year ended 31 December 2014, which has been reviewed by Ernst and Young. Our half-year financial report is subject to qualification. Refer to the 31 December 2014 half-year financial report for the independent review report provided to the members of Boulder Steel Ltd.

Appendix 4D Requirements	Reference
1. Reporting period and the previous corresponding period.	Refer to page 1 of this report.
2. Results for announcement to the market.	Refer to page 1 of this report "Results for announcement to the market" and Items 1, 2 and 3 of this report.
3. Net tangible assets per security.	Refer to Item 4 of this report.
4. Details of entities where control has been gained or lost during the period.	Refer to Item 5 of this report.
5. Details of individual and total dividends or distributions and dividend or distribution payments.	Refer to Item 2 of this report.
6. Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in a dividend or distribution reinvestment plan.	Refer to Item 2 of this report.
7. Details of joint venture and associated entities.	Refer to Items 6 of this report.
8. For foreign entities, accounting standards used in compiling reports.	Not applicable.
9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.	Refer to Item 8 of this report.

BOULDER STEEL LIMITED

ABN 78 009 074 588

INTERIM FINANCIAL REPORT for the half-year ended 31 December 2014

The information contained in this condensed report is to be read in conjunction with Boulder Steel Limited's 2014 annual report and announcements to the market made by Boulder Steel Limited

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CONTENTS

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	4
Financial Report	5
Directors' Declaration	18
Independent Auditor's Report	19

CORPORATE DIRECTORY

Directors

Shane Tanner – Non Executive Chairman
Faldi Ismail – Non Executive Director
Craig Higgins – Non Executive Director

Company Secretary

Andrew Rowell

Registered office

108 Outram Street,
West Perth, WA, 6005
Ph: +61 8 9486 7244

Auditor

Ernst and Young
11 Mounts Bay Road
Perth, Western Australia, 6000

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth, WA, Australia, 6005

Securities Exchange Listing

Australian Securities Exchange Limited
Exchange Plaza
Level 8, 2 The Esplanade
Perth WA 6000
ASX Code – BGD

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

DIRECTORS' REPORT

The Directors present their report, together with the interim financial statements of Boulder Steel Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2014.

Directors

The names and the particulars of the Directors of the Company during or since the end of the financial period are:

Name	Status	Appointed
Shane Tanner	Non-Executive Chairman	Appointed 25 November 2014
Craig Higgins	Non-Executive Director	Appointed 25 November 2014
Faldi Ismail	Non-Executive Director	Appointed 10 September 2014

The below named directors held office during the financial period up until the date of their resignation:

Name	Status	Appointed/Resigned
Daniel Owen	Executive Director	Resigned 10 September 2014
Christopher Ryan	Non-Executive Chairman	Resigned 10 September 2014
John Ciganek	Non-Executive Director	Appointed 10 September 2014 Resigned 25 November 2014
Nicholas Young	Non-Executive Director	Appointed 10 September 2014 Resigned 1 February 2015

State of Affairs and Major activities of the half-year

1. Recapitalisation of the Company

On 22 July 2013, the Board resolved to place the Company into voluntary administration and appointed Messrs Trevor Pogroske and Said Jahani of Grant Thornton Australia Limited as joint and several administrators of the Company. At its request the Company was suspended from trading on the Australian Securities Exchange ("ASX") on 22 July 2013.

Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs. On 29 October 2013, at an adjourned second meeting of creditors of the Company, the creditors of the Company resolved to end the voluntary administration and control was handed back to the Directors. On 30 October 2013, Steven Nicols of Nicols + Brien Business Recovery was appointed as administrator of the Company. Following appointment of the administrator, the powers of the Company's officers (including Directors) were again suspended and the administrator assumed control of the Company's business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Otsana Capital's recapitalisation proposal was accepted at a meeting of the Company's creditors on 4 February 2014.

The Deed of Company Arrangement ("DoCA") was executed on 27 February 2014, as was the Boulder Creditors Trust Deed ("Creditors Trust"). The DoCA provided for the creation of a Creditors Trust and an opportunity for the Company to be restructured for a "cash consideration". Under the DoCA, the claims of the Company's creditors as at 10 September 2014 now reside within the Creditors Trust. The Voluntary Administrators were appointed as Deed Administrators and Trustees of the Creditors Trust. The purpose of the DoCA was to facilitate a reconstruction and recapitalisation of the Company with a view to having the Company relisted on the ASX.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

DIRECTORS' REPORT

1. Recapitalisation of the Company

The effectuation of the DoCA on 10 September 2014 had the following financial effect:

- claims of the Company's creditors as at 10 September 2014 now reside within the Creditors Trust;
- all cash on hand or at bank at 10 September 2014 were transferred to the Creditors Trust; and
- the Company was required to pay the final promoter contribution of \$100,000.

On 4 September 2014, the Company's shareholders approved at its General Meeting:

- Consolidation of existing fully paid shares (Shares) on a one (1) for forty-six (46) basis together with the consolidation of its existing options in the same ratio as existing shares;
- Issue up to 50,000,000 new shares post consolidation at a price of \$0.00001 each to raise up to \$500,
- Issue up to 50,000,000 unquoted options with an exercise price of \$0.01, expiring four years after issue date, at an issue price of \$0.00001 each to raise \$500, and
- Issue up to 250,000,000 shares at an issue price of \$0.01 each to raise \$2,500,000.

Following finalisation of all outstanding compliance matters, the DoCa was fully effectuated on 10 September 2014.

The Company sought the reinstatement to trading of its Shares on the ASX, and this was granted on 24 December 2014.

2. Review and results of operations

Further to the Recapitalisation Proposal, the Company:

- incorporated Euroa Steel Plant Project Pty Ltd (ESPP), a company jointly owned by the Company and Gladstone Steel Plant Pty Ltd (GSPL); and
- transferred all existing business and assets of the Company to ESPP. The transfer of all existing business and assets of the Company to ESPP comprised of the intellectual property associated with development of the Gladstone Steel Plant. The transfer occurred as consideration of GSPL making a payment of 50% of the Creditor Payment as outlined in the DoCA, being \$300,000.

At 31 December 2014, the Company continues to hold a 50% interest ESPP.

The loss for the six months ended 31 December 2014 was \$875,572 (2013: loss \$391,692).

Auditor independence and non-audit services

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

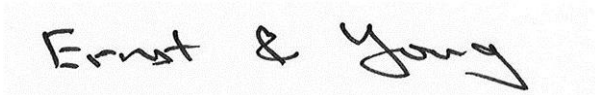


Shane Tanner
Non-Executive Chairman

Dated 27 February 2015

Auditor's Independence Declaration to the Directors of Boulder Steel Limited

In relation to our review of the financial report of Boulder Steel Ltd for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T G Dachs
Partner
27 February 2015

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Other Income	4	353,637	29,957
Salaries and employee benefits expense		-	(15,609)
Director fees	5	(46,866)	-
Management fees	5	(200,000)	-
Administrator expense		-	(315,438)
Corporate expenses		(99,328)	(90,607)
Share based payments	10	(819,762)	-
Other expense		(37,876)	-
Results from operating activities		(850,195)	(391,697)
Finance costs		(25,500)	-
Finance income		123	5
Loss before income tax		(875,572)	(391,692)
Income tax expense		-	-
Loss for the period		(875,572)	(391, 692)
Other comprehensive income		-	-
Total comprehensive loss for the year		(875,572)	(391, 692)
Loss attributable to:			
Members of the parent entity		(875,572)	(391, 692)
		(875,572)	(391, 692)
Total comprehensive loss attributable to:			
Members of the parent entity		(875,572)	(391, 692)
		(875,572)	(391, 692)
Basic and diluted loss per share (cents per share)		(3.22)	(3.26)

The accompanying notes form part of these financial statements.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and short term deposits		2,309,495	7,647
Trade and other receivables		57,902	-
Prepayments		16,992	-
TOTAL CURRENT ASSETS		2,384,389	7,647
NON-CURRENT ASSETS			
Intangible assets	6	-	600,000
Investment accounted for using the equity method	7	300,000	-
TOTAL NON-CURRENT ASSETS		300,000	600,000
TOTAL ASSETS		2,684,389	607,647
CURRENT LIABILITIES			
Trade and other payables		736,537	368,278
Short term provisions		-	458,486
Borrowings	8	137,500	100,000
TOTAL CURRENT LIABILITIES		874,037	926,764
TOTAL LIABILITIES		874,037	926,764
NET ASSETS/ (LIABILITY)		1,810,352	(319,117)
SHAREHOLDERS' EQUITY/ (DEFICIT)			
Issued capital		56,431,211	54,036,006
Reserves		14,185,103	13,575,267
Accumulated losses		(68,805,962)	(67,930,390)
SHAREHOLDERS' EQUITY/ (DEFICIT)		1,810,352	(319,117)

The accompanying notes form part of these financial statements.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013		54,036,006	13,575,267	(67,473,092)	138,181
Loss for the period		-	-	(391,692)	(391,692)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive loss		-	-	(391,692)	(391,692)
Transactions with owners, recognised directly in equity					
Equity issued during the year		-	-	-	-
Capital raising costs		-	-	-	-
Balance at 31 December 2013		54,036,006	13,575,267	(67,864,784)	(253,511)
Balance at 1 July 2014		54,036,006	13,575,267	(67,930,390)	(319,117)
Loss for the period		-	-	(875,572)	(875,572)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive loss		-	-	(875,572)	(875,572)
Transactions with owners, recognised directly in equity					
Issue of equity instruments	9	2,500,500	500	-	2,501,000
Transaction costs		(604,795)	-	-	(604,795)
Share based payments	10	499,500	609,336	-	1,108,836
Balance at 31 December 2014		56,431,211	14,185,103	(68,805,962)	1,810,352

The accompanying notes form part of these financial statements.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(88,161)	(444,715)
Payment to deed administrator – DOCA		(373,128)	-
Interest received		136	5
Interest paid		(13,000)	-
Net cash used in operating activities		(474,153)	(444,710)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of assets		1	4,589
Net cash from investing activities		1	4,589
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments		2,501,000	-
Capital raising costs		-	-
Proceeds from borrowings		420,000	-
Repayment of borrowings		(145,000)	-
Net cash from financing activities		2,776,000	-
Net increase/ (decrease) in cash and cash equivalents		2,301,848	(440,121)
Cash and cash equivalents at beginning of period		7,647	440,290
Cash and cash equivalents at 31 December		2,309,495	169

The accompanying notes form part of these financial statements

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014
CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. CORPORATE INFORMATION

This interim financial report for the six months ended 31 December 2014 cover Boulder Steel Limited ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). Boulder Steel Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

The interim financial report was authorised for issue in accordance with a resolution of the directors on 27 February 2015.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Basis of preparation / Statement of compliance

The interim financial report for the six months ended 31 December 2014 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This is the first interim financial report in which the Directors have made an unreserved statement of compliance with AASB 134 *Interim Financial Reporting* since coming out of voluntary administration on 10 September 2014 (see below).

In preparing the interim financial report, which covers the first six month period of the Company's first Australian-Accounting Standards Financial Statements since coming out of administration, the Company has applied AASB 1 *First-time Adoption of Australian Accounting Standards* ("AASB 1"). Accordingly, except as required by AASB 1, the Company has adopted all Australian Accounting Standards and Interpretations effective 1 July 2014 and applied these retrospectively. The adoption of these Standards and Interpretations has had no material impact on:

- the total equity as at 30 June 2013, 31 December 2013 and 30 June 2014; and
- the net profit after tax or cash flows for the half year ended 31 December 2013 or year ended 30 June 2014.

The interim financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2014. It is also recommended that the interim financial report be considered together with the public announcements made by the Company during, and since, the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Comparative information

On 22 July 2013, the Board resolved to place the Company into voluntary administration and appointed Messrs Trevor Pogroske and Said Jahani of Grant Thornton Australia Limited as joint and several administrators of the Company. At its request the Company was suspended from trading on the Australian Securities Exchange ("ASX") on 22 July 2013.

Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs. On 29 October 2013, at an adjourned second meeting of creditors of the Company, the creditors of the Company resolved to end the voluntary administration and control was handed back to the Directors. On 30 October 2013, Steven Nicols of Nicols + Brien Business Recovery was appointed as administrator of the Company. Following appointment of the administrator, the powers of the Company's officers (including Directors) were again suspended and the administrator assumed control of the Company's business, property and affairs.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014
CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

Comparative information (continued)

The financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014 were prepared by Directors who were not in office at the time the Group entered voluntary administration or for the full periods presented in these financial reports, nor were they parties involved with the Company. The Directors prepared these financial reports were appointed on 10 September 2014. Every reasonable effort was made by the Directors to ascertain the true position of the Company's financial affairs for the half year ended 31 December 2013 and full year ended 30 June 2014.

To prepare the financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014, the directors reconstructed the financial records of the Group using data extracted from the Group's accounting system for the entire financial period/year. However, there may have been information that the current Directors were not been able to obtain, the impact of which may or may not have been material on the financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014.

Accordingly, the financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014 did not contain all the required information or disclosures in relation transactions undertaken by the Company as this information was unascertainable due to the administration process and/or the change in directorships.

Consequently, although the Directors did prepare the financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014 to the best of their knowledge based on the information made available to them, they were of the opinion that it was not possible to state that these financial reports had been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the Corporations Act 2001, nor was it possible to state these financial reports gave a true and fair view of the Group's financial position as at 30 June 2014/31 December 2013 and for the year/period then ended.

Because of the significance of the matter described above, the Company's auditor, Ernst and Young were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, Ernst and Young did not express an opinion on the financial reports for the half year ended 31 December 2013 and full year ended 30 June 2014.

3. OPERATING SEGMENTS

Segment Information – Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group only has one segment being, the development of a steel production facility in Gladstone QLD accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

4. OTHER INCOME

On 22 July 2013, the Board resolved to place the Company into voluntary administration and appointed Messrs Trevor Pogroske and Said Jahani of Grant Thornton Australia Limited as joint and several administrators of the Company. At its request the Company was suspended from trading on the Australian Securities Exchange ("ASX") on 22 July 2013.

Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs. On 29 October 2013, at an adjourned second meeting of creditors of the Company, the creditors of the Company resolved to end the voluntary administration and control was handed back to the Directors. On 30 October 2013, Steven Nicols of Nicols + Brien Business Recovery was appointed as administrator of the Company. Following appointment of the administrator, the powers of the Company's officers (including Directors) were again suspended and the administrator assumed control of the Company's business, property and affairs.

The Deed of Company Arrangement ("DoCA") was executed on 27 February 2014, as was the Boulder Creditors Trust Deed ("Creditors Trust"). The DoCA provided for the creation of a Creditors Trust and an opportunity for the Company to be restructured for a "cash consideration". Under the DoCA, the claims of the Company's creditors as at 10 September 2014 now reside within the Creditors Trust. The Voluntary Administrators were appointed as Deed Administrators and Trustees of the Creditors Trust. The purpose of the DoCA was to facilitate a reconstruction and recapitalisation of the Company with a view to having the Company relisted on the ASX.

The effectuation of the DoCA on 10 September 2014 had the following financial effect:

- claims of the Company's creditors as at 10 September 2014 now reside within the Creditors Trust;
- all cash on hand or at bank at 10 September 2014 were transferred to the Creditors Trust; and
- the Company was required to pay the final promoter contribution of \$100,000.

Following finalisation of all outstanding compliance matters, the DoCa was fully effectuated on 10 September 2014.

This resulted in a debt release gain under the DoCA of \$353,636 being recognised in the half year ended 31 December 2013 as detailed below:

	31 December 2014	31 December 2013
	\$	\$
Assets transferred to the Deed Administrators	(373,128)	-
Final DOCA payment	(100,000)	-
	<hr/> (473,128) <hr/>	<hr/> - <hr/>
Gain on creditor obligations released	826,764	-
Gain arising from Deed of Company Arrangement	<hr/> 826,764 <hr/>	<hr/> - <hr/>

BOULDER STEEL LIMITED
 ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

5. RELATED PARTY TRANSACTIONS

a) Key management personnel compensation

On the 10 September 2014, the Deed of Company Arrangement was effectuated and new directors were appointed to the Company. Commencing 10 September 2014, each director is paid \$3,000 per month for the provision of director services to Boulder Steel Limited. In addition, two directors are paid a fee of \$3,000 per month for the provision of director services to Eurora Steel Plant Project Pty Ltd (ESPP) (an associate of Boulder Steel Limited).

b) Other related party transactions

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The group acquired the following services from entities that are controlled by members of the group's key management personnel:

- Management services (\$200,000) paid to Otsana Capital in connection with the Recapitalisation Proposal of Boulder Steel Limited. Otsana Capital is a company controlled by director Faldi Ismail.
- Expenses incurred by Otsana Capital (\$7,346) in connection with the Recapitalisation Proposal of Boulder Steel Limited, expenses were reimbursed to director Faldi Ismail (\$6,288) and Nicholas Young (\$1,058).
- Rental of office space and registered office (\$7,500) paid to Adamantium Holdings Pty Ltd is a company controlled by director Faldi Ismail.

	31 December 2014	30 June 2014
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:	\$	\$
Current Payables		
Entities controlled by key management personnel	227,343	-
<i>Loans from related parties</i>		
Beginning of the reporting period	-	-
Loans advanced	145,000	-
Loan repayments made	(145,000)	-
Interest charged	13,000	-
Interest paid	(13,000)	-
End of the reporting period	-	-

During the reporting period the following loans were made to the Company from Key Management Personnel:

- As part of the recapitalisation proposal members of the syndicate loaned funds to the Company. Romfal Sifat Pty Ltd (Romfal) is a company controlled by director Faldi Ismail. Romfal advanced a \$125,000 Syndicate Loan to the Company. Interest of 10% was payable on the loan.
- Adamantium Holdings Pty Ltd is a company controlled by director Faldi Ismail. On the 6 October 2014 the Company entered into an unsecured loan agreement for \$20,000 to provide working capital to the Company. Interest of 10% was payable on the loan.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

5. RELATED PARTY TRANSACTIONS (CONTINUED)

Certain key management personnel participated in the promoter share and options offer which has been accounted for as a share based payment (Refer to Note 10)

6. INTANGIBLES

	31 December 2014 \$	30 June 2014 \$
NON-CURRENT		
Balance at the beginning of the period	600,000	600,000
Disposal of asset	(600,000)	-
Balance at the end of the period	<u>-</u>	<u>600,000</u>

Disposal of Intangibles

During the six months ended 31 December 2014, intangible assets with a carrying value of \$600,000 were disposed off (30 June 2014: nil).

Refer to Note 7. Investments Accounted for Using the Equity Method for additional information in relation to the disposal of the intangible asset.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As part of the Recapitalisation of the Company (Refer to Note 4), the Company:

- incorporated Euroa Steel Plant Project Pty Ltd (ESPP), a company jointly owned by the Company and Gladstone Steel Plant Pty Ltd (GSPL); and
- transferred all existing business and assets of the Company to ESPP. The transfer of all existing business and assets of the Company to ESPP comprised of the intellectual property associated with development of the Gladstone Steel Plant. The transfer occurred as consideration of GSPL making a payment of 50% of the Creditor Payment as outlined in the DoCA, being \$300,000.

The Company's interest in ESPP has been accounted for using the equity method in the consolidated financial statements. As per the terms of the shareholder agreement between the Company and GSPL, each shareholder being the Company and GSPL can nominate two directors to form the board of ESPP. The chairperson of the ESPP board will be one of the directors appointed by GSPL for as long as GSPL holds a 50% interest in ESPP. The Chairperson has the casting vote in addition to any vote they hold as a director of ESPP. In addition, GSPL also has the right to appoint a manager to manage the business and operations of ESPP. The Company therefore has significant influence over the operations of ESPP but no control. Accordingly, in accordance with Australian Accounting Standards, the investment in ESPP has been accounted for using the equity method. The following table illustrates the summarised financial information of the Group's investment ESPP:

	31 December	30 June
	2014	2014
	\$	\$
Current assets	-	-
Non-current assets	600,000	-
Current liabilities	-	-
Non-current liabilities	-	-
Equity	600,000	-
Group's carrying amount of the investment	300,000	-
Revenue	-	-
Cost of sales	-	-
Profit before tax	-	-
Income tax expense	-	-
Profit for the period (continuing operations)	-	-
Total comprehensive income for the period (continuing operations)	-	-
Group's share of profit for the period	-	-

The associate had no contingent liabilities or capital commitments as at 31 December 2014 or 2013.

Name of entity	Principal Activities	Country of Incorporation	%	%
Euroa Steel Plant Pty Ltd	Metal Forging	Australia	50	-

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

8. BORROWINGS

	31 December	30 June
	2014	2014
	\$	\$
CURRENT		
Receipt of deposit in accordance with the deed of company arrangements (non-interest bearing)	-	100,000
Syndicate loan	137,500	-
	<u>137,500</u>	<u>100,000</u>

As part of the recapitalisation proposal, amounts payable to the deed administrator under the DoCA (see note 4) were funded through syndicate loans.

Pheakes Pty Ltd (an unrelated party) advanced the Company \$125,000. The loan provided by Pheakes Pty Ltd was unsecured and bore an interest rate of 10% (for 3 months). The amount outstanding at 31 December 2014 comprises of the principal amount and accrued interest. The loan was subsequently settled after the 31 December 2014.

9. ISSUED CAPITAL

	2014	2013	2014	2013
	Shares	Shares	\$	\$
Issues of ordinary shares during the half-year				
Balance at beginning of period	552,596,852	552,596,852	54,036,006	54,036,006
Consolidation of existing shares 1:46 nil consideration (refer to Note 4)	(540,583,876)	-	-	-
Issued capital – General Placement	250,000,000	-	2,500,000	-
Issued capital – Promoter Shares	50,000,000	-	500,000	-
Issue cost	-	-	(604,795)	-
Balance at beginning of period	<u>312,013,675</u>	<u>552,596,852</u>	<u>56,431,211</u>	<u>54,036,006</u>

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

10. SHARE-BASED PAYMENT

On the 22 December 2014, 50,000,000 Lead Manager Options were issued in consideration for broker services as provided to Boulder Steel Limited. The exercise price of the options of \$0.01 was equals to the issue price of the shares offered on the general placement. The Lead Manager Options are exercisable at any time on and from the date on which the VWAP is \$0.02 or above until the Expiry Date (Exercise Period). VWAP means the volume weighted average market price (as defined in the ASX Listing Rules) for Shares calculated over 20 consecutive trading days on which sales in the Shares are recorded.

The fair value of the options granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is three years. There is no cash settlement of the options. The fair value of options granted during the six months ended 31 December 2014 was estimated on the date of grant applying the following inputs:

Weighted average exercise price:	\$0.01
Weighted average life of the option:	3 years
Expected share price volatility:	88.33%
Risk-free interest rate:	2.22%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility. The fair value of the options granted was estimated at \$0.0058.

On the 22 December 2014, 50,000,000 Promoter Options were issued at \$0.00001 to raise \$500. The exercise price of the options of \$0.01 was equal to the issue price of the shares offered on the general placement. The Promoter Options are exercisable at any time.

The fair value of the options granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is four years. The cash settlement component of the options was \$500. The fair value of options granted during the six months ended 31 December 2014 was estimated on the date of grant applying the following inputs:

Weighted average exercise price:	\$0.01
Weighted average life of the option:	4 years
Expected share price volatility:	88.33%
Risk-free interest rate:	2.35%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility. The fair value of the options granted was estimated at \$0.0064.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**CONSOLIDATED NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

10. SHARE-BASED PAYMENT

For the six months ended 31 December 2014, the Group has recognised \$320,262 of share-based payments transactions expense for the Promoter options in the Statement of Profit or Loss (31 December 2013: nil).

On the 22 December 2014, 50,000,000 Promoter Shares were issued at \$0.00001 to raise \$500. The Promoter Shares were issued as part of the recapitalisation of the Company. The market price of the shares at the grant date was \$0.01 and was determined to be fair value of the shares issued.

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.01. The Promoter Shares included under share based payments in the profit and loss is \$499,500 (31 December 2013: Nil).

11. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

There have been no changes in contingent liabilities since 30 June 2014.

Commitments

The company signed a twelve month lease agreement with Adamantium Holdings Pty Ltd (a related entity). The lease expires 30 September 2015. Commitments of \$22,500 remain at the end of the reporting period.

12. EVENTS AFTER THE REPORTING PERIOD

On the 1 February 2015 the company announced Mr Nicholas Young resigned from the board of Boulder Steel Limited.

On the 16 February 2015 the Company announced the issue of 45,000,000 management options. The management options were issued for nil cash consideration in exchange for broker services provided by the lead managers during the recapitalisation of the company.

There has not arisen in the interval between the end of the reporting period and the date of this report any other item, transaction or event of a material or unusual nature not otherwise dealt with in the financial statements, likely in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of the operations or the state of affairs of the Group in future financial years.

BOULDER STEEL LIMITED
ABN 78 009 074 588
INTERIM FINANCIAL REPORT 31 DECEMBER 2014

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Boulder Steel Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Boulder Steel Limited for the half-year ended 31 December 2014 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Shane Tanner
Non- Executive Chairman

Dated 27 February 2015

Report on the half-year financial report to the members of Boulder Steel Ltd

We have reviewed the accompanying half-year financial report of Boulder Steel Ltd, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Boulder Steel Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Basis for qualified review conclusion

1. We audited the financial statements of the company for the financial year ended 30 June 2014. As further detailed in note 2, we were unable to and did not express an opinion as to the truth and fairness of the financial position of the consolidated entity as at 30 June 2014 and of its performance for the year ended on that date due to the existence of limitations on the scope of our work as detailed in our disclaimer of auditor's opinion dated 31 October 2014. Certain balances as at 30 June 2014 enter into the determination of financial performance and cash flows for the half-year ended 31 December 2014. Further, the financial position of the company at 30 June 2014 is shown as comparatives in the 31 December 2014 half-year financial report.
2. We reviewed the financial statements of the company for the half-year ended 31 December 2013. As further detailed in Note 2, we were unable to and did not express a review conclusion as to the truth and fairness of the financial position of the consolidated entity as at 31 December 2013 and of its performance for the half-year ended on that date due to the existence of limitations on the scope of our work as detailed in our disclaimer of auditor's opinion dated 31 October 2014. The results and cash flows of the company for the half-year ended 31 December 2013 are shown as comparatives in the 31 December 2014 half-year financial report.
3. We were unable to obtain sufficient appropriate evidence for the transactions undertaken by the consolidated entity for the period 1 July 2014 to 10 September 2014 (the date the consolidated entity came out of administration). The transactions undertaken by the consolidated entity during this period impact the determination of the financial performance and cash flows of the consolidated entity for the half-year ended 31 December 2014.

Qualified review conclusion

Because of the significance of the matters described in the basis for qualified review conclusion paragraphs, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the financial performance and cash flows of Boulder Steel Limited for the half-year ended 31 December 2014. Accordingly, we do not express a review conclusion on the financial performance and cash flows for the half-year ended 31 December 2014.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boulder Steel Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Tim Dachs
Partner
Perth
27 February 2015