



Boulder Steel Ltd

ABN 78 009 074 588

NOTICE OF GENERAL MEETING

TIME: 12:00pm (AEST)

DATE: Wednesday 8th April 2015

PLACE Suite 202, 50 Clarence Street
SYDNEY NSW 2000

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at

- 12:00pm (AEST) on Wednesday 8th April 2015
- Suite 202, 50 Clarence Street
Sydney NSW 2000

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Further details are set out in the instructions for completing 'appointment of proxy' form attached to this Notice of Meeting.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00pm (AEST) on Monday 6th April 2015.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Boulder Steel Ltd will be held at 12:00pm (AEST) on Wednesday 8th April 2015 at Suite 202, 50 Clarence Street, Sydney, NSW, 2000.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

1. Resolution 1: Ratification of prior issue of Lead Manager Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,000,000 Lead Manager Options issued to the Lead Manager Nominees on the terms and conditions set out in the Explanatory Memorandum."

VOTING EXCLUSION STATEMENT FOR RESOLUTION 1

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2: Issue of Related Party Options to Mr Craig Higgins

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Related Party Options to Mr Craig Higgins (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

VOTING EXCLUSION STATEMENT FOR RESOLUTION 2

The Company will disregard any votes cast on this Resolution by Mr Craig Higgins (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

VOTING PROHIBITION STATEMENT FOR RESOLUTION 2

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. Resolution 3: Issue of Related Party Options to Mr Shane Tanner

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing

Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Related Party Options to Mr Shane Tanner on the terms and conditions set out in the Explanatory Memorandum.”

VOTING EXCLUSION STATEMENT FOR RESOLUTION 3

The Company will disregard any votes cast on this Resolution by Mr Shane Tanner and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

VOTING PROHIBITION STATEMENT FOR RESOLUTION 3

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

(e) the proxy is either:

- a. a member of the Key Management Personnel; or
- b. a Closely Related Party of such a member; and

(f) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(g) the proxy is the Chairman; and

(h) the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. Resolution 4: Change of Company Name

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to BGD Corporation Ltd.”

5. Resolution 5: Replacement of Constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman for identification purposes.”

General Business

To consider any other business that may be brought forward in accordance with the Constitution of the Company or the Corporation Act.

By Order of the Board



Andrew Rowell

Company Secretary

6th March 2015

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of Boulder Steel Ltd to be held on Wednesday 8th April 2015 at 12:00pm (AEST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

1. Resolution 1 – Ratification of prior issue of Lead Manager Options

General

On 16 February 2015, the Company issued 45,000,000 options to acquire Shares on the terms given in Schedule 1 to this Notice of Meeting (**Lead Manager Options**) to nominees of Liverpool Partners Pty Ltd ACN 159 465 193, the lead manager to the Company's general placement offer pursuant to the Company's prospectus dated 26 November 2014 (**Lead Manager**), for nil cash consideration.

The consideration for the Lead Manager Options the subject of Resolution 1 (plus the Related Party Options the subject of Resolutions 2 and 3) is services to be provided by the Lead Manager to the Company pursuant to a Management Options Terms Sheet. That terms sheet provides for the Company to engage the Lead Manager to actively explore potential acquisitions for the Company that are either complementary to the Company's current business or are non-complementary and are outside of the Company's current business. No such potential acquisitions have been identified to date. The Lead Manager will assist and make recommendations to the Company for the assembly of an advisory committee and new additions to the Company's executive team and Board in order to enhance the management capability of the Company. No such potential new management or Board candidates have been identified to date.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 45,000,000 Lead Manager Options to the nominees of the Lead Manager (together the **Lead Manager Nominees**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the 45,000,000 Lead Manager Options the subject of Resolution 1:

- (a) 45,000,000 Lead Manager Options were issued;
- (b) the Lead Manager Options were issued for nil cash consideration pursuant to the Management Options Terms Sheet summarised above;
- (c) the Lead Manager Options the subject of Resolution 1 were issued to the Lead Manager Nominees. None of the subscribers for the Lead Manager Options the subject of Resolution 1 are related parties of the Company;
- (d) the Lead Manager Options were issued on the terms and conditions set out in Schedule 1; and

- (e) no funds were raised from this issue as the Lead Manager Options were issued in consideration for services pursuant to the Management Options Terms Sheet, as summarised above.

2. Resolutions 2 and 3 – Issue of Related Party Options to Mr Craig Higgins and Mr Shane Tanner (or their nominees)

General

The Board is seeking Shareholder approval to issue 2,500,000 options to Mr Craig Higgins or his nominees and 2,500,000 options to Mr Shane Tanner (together the **Related Parties**) on the same terms and conditions as the Lead Manager Options (**Related Party Options**).

The Related Party Options comprise the remaining options (in addition to the Lead Manager Options) offered to the Lead Manager or its nominees pursuant to the Company's prospectus dated 26 November 2014, in accordance with the Management Options Terms Sheet.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Mr Higgins and Mr Tanner are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Higgins and Tanner and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - a. 2,500,000 Related Party Options to Mr Craig Higgins (or his nominees, Alice Mary Johnson and Emily Louise Higgins, who are Mr Craig Higgins' daughters); and
 - b. 2,500,000 Related Party Options to Mr Shane Tanner.
- (c) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1; and
- (f) the value of the Related Party Options and the pricing methodology is set out immediately below.

Value of the Related Party Options

The Related Party Options to be issued to Mr Higgins and Mr Tanner have been valued and reviewed by the Company's management as follows:

Number of Related Party Options	5,000,000
Indicative Value per Related Party Option	0.568 cents
Total Value	\$28,402 (comprising \$14,201 allocated to each of Messrs Higgins and Tanner)

Assumptions and explanations

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	16/02/2015
Market price of Shares	1.0 cent
Exercise price	1.0 cent
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.85%
Volatility (discount)	88.335%
Indicative value per Related Party Option	0.568 cents
Total Value of Related Party Options	\$28,402
- Mr Shane Tanner	\$14,201
- Mr Craig Higgins (or nominee)	\$14,201

- (g) As at the date of this Notice of Meeting, the Related Parties hold no relevant interests in securities in the Company.
- (h) The remuneration and emoluments from the Company to the Related Parties (inclusive of any applicable superannuation) for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Craig Higgins	\$36,000	\$Nil
Mr Shane Tanner	\$36,000	\$Nil

Mr Higgins and Mr Tanner have no other interest in the Company.

- (i) if the Related Party Options proposed to be granted to the Related Parties (pursuant to Resolutions 2 and 3) are exercised, a total of 5,000,000 Shares would be issued. This will increase the number of

Shares on issue from 312,013,675 to 317,013,675 (assuming that no other options to acquire Shares are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 1.58% (comprising approximately 0.79% by each of Messrs Higgins and Tanner).

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Dates
Highest	1.4 cents	14 and 15 January 2015
Lowest	0.8 cents	26 January 2015
Last	1.0 cents	24 February 2015

- (k) The Board acknowledges that the grant of the Related Party Options to Messrs Higgins and Tanner is contrary to the best practice recommendations in the ASX Corporate Governance Principles and Recommendations. However, the Board (excluding each Director proposed to receive Related Party Options) considers the grant of Related Party Options to Messrs Higgins and Tanner is reasonable in the circumstances of the Management Options Terms Sheet, where the preservation of the Company's cash resources is paramount.
- (l) The grant of Related Party Options to Messrs Higgins and Tanner is considered to be a cost- effective mechanism to assist in the reward and retention of the Directors of the Company. The grant of the Related Party Options forms part of the Company's long-term incentive objectives to encourage the relevant Directors to have a greater involvement in the achievement of the Company's objectives. The primary purposes of the grant of the Related Party Options are to perform the Management Options Terms Sheet and simultaneously to provide a performance linked incentive for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors. The number of Related Party Options to be issued to Messrs Higgins and Tanner takes into account the contribution that Messrs Higgins and Tanner commit to the Company, and to provide ongoing equity incentives to advance the Company and its assets. Regard has also been given to less tangible issues such as alignment of interests to the Company through an equity holding. The Board (excluding each Director proposed to receive Related Party Options) considers the number of Related Party Options proposed to be issued to Messrs Higgins and Tanner will ensure that overall Director remuneration remains competitive with market standards.
- (m) Mr Higgins declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that Mr Higgins (or his nominee) is to be granted Related Party Options in the Company should Resolution 2 be passed. However, in respect of Resolution 3, Mr Higgins recommends that Shareholders vote in favour of that Resolution for the following reasons:
- the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.
- (n) Mr Tanner declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that Mr Tanner is to be granted Related Party Options in the Company should Resolution 3 be passed. However, in respect of

Resolution 2, Mr Tanner recommends that Shareholders vote in favour of that Resolution for the reasons set out in paragraph (m);

- (o) with the exception of Mr Higgins and Mr Tanner, no other Director has a personal interest in the outcome of Resolutions 2 and 3;
- (p) Mr Faldi Ismail recommends that Shareholders vote in favour of Resolutions 2 and 3 for the reasons set out in paragraph (m);
- (q) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2 and 3.

Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to issue the Related Party Options to Mr Higgins or his nominees and Mr Tanner as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Related Party Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Section 195(4) of the Corporations Act

Resolutions 2 and 3 propose transactions in which certain Directors have a "material personal interest" as described above. In the absence of approval for the purpose of section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at any meetings necessary to issue the Related Party Options contemplated by Resolutions 2 and 3.

Accordingly, Shareholder approval is being sought to allow the Directors to form a quorum to complete and implement the transactions contemplated by Resolutions 2 and 3.

3. Resolution 4 – Change of Company Name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 4 seeks the approval of Shareholders for the Company to change its name to "BGD Corporation Ltd".

If Resolution 4 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 4 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

4. Resolution 5 – Replacement of Constitution

General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a **special resolution** which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2009.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the ASX Settlement and Transfer Corporation Pty Limited, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's registered office (108 Outram Street, West Perth, WA, 6005). A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company (+61 8 9486 7244). Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Proposed Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the ASX Listing Rules such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels, which differs slightly from the equivalent existing provision in the Constitution.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers". Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 21)

Section 254T of the Corporations Act was amended effective 28 June 2010. There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Proposed Constitution reflects the new requirements of the Corporations Act.

Partial (proportional) takeover provisions (new clause 35)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b) assisting in preventing Shareholders from being locked in as a minority;
- c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- e) proportional takeover bids may be discouraged;
- f) lost opportunity to sell a portion of their Shares at a premium; and
- g) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

\$ means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Chairman means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Boulder Steel Ltd (ACN 009 074 588).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Memorandum means the Explanatory Memorandum forming part of the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means Liverpool Partners Pty Ltd (ACN 159 465 193), the lead manager to the Company's general placement offer pursuant to the Company's prospectus dated 26 November 2014.

Lead Manager Nominees means nominees of the Lead Manager who were issued with Lead Manager Options the subject of Resolution 1.

Lead Manager Option means an option to acquire a Share on the terms set out in Schedule 1 to this Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Memorandum and the proxy form.

Related Party Option means an option to acquire a Share on the terms set out in Schedule 1 to this Notice of Meeting.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

SCHEDULE 1 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS AND RELATED PARTY OPTIONS

(a) Entitlement

Each option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (AWST) on the date which is 3 years after the issue date of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The 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 by the ASX Listing Rules) for Shares calculated over 20 consecutive trading days on which sales in the Shares are recorded.

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 business days (as defined pursuant to the ASX Listing Rules, **Business Days**) after the Exercise Date the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required by the Lead Manager or another holder of Options, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

Except in the case of a bonus issue to the Company's ordinary shareholders, there are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to the Company shareholders during the currency of the Options without exercising the Options. If there is a bonus issue to the Company's ordinary shareholders, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the holder would have received if the Options had been exercised before the record date for the bonus issue.

(l) **Change in exercise price**

If there is a pro rata issue to the Company's ordinary shareholders, the Exercise Price of the Options will be reduced in a manner consistent with the ASX Listing Rules. An Option does not otherwise confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**APPOINTMENT OF PROXY
BOULDER STEEL LTD
ACN 009 074 588**

GENERAL MEETING PROXY FORM

Shareholder Details

Name:

Address:

Contact Telephone No:.....

Appointment of Proxy

I/We being a Shareholder/s of Boulder Steel Ltd and entitled to attend and vote hereby appoint

☐

Chairman of the Meeting **OR**

Insert Name of Appointed Proxy Below

Or failing the person named, or if no person is named, the Chairman of the Meeting, or the Chairman's nominee, as my/our proxy to attend and act generally at the General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and subject to the relevant laws as the proxy sees fit) at the General Meeting of Boulder Steel Ltd to be held at Suite 202, 50 Clarence Street, Sydney, NSW, 2000 on Wednesday 8th April 2015 at 12:00pm (AEST) and at any adjournment of that meeting.

AUTHORITY FOR CHAIRMAN TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chairman as my/our proxy (or where the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chairman.

CHAIRMAN'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chairman intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chairman may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING ON BUSINESS OF THE MEETING

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of prior issue of Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Related Party Options to Mr Craig Higgins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Related Party Options to Mr Shane Tanner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please Note: By marking the Abstain box for a particular Resolution you are directing the proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

PLEASE SIGN HERE
Individual or Shareholder 1

Sole Director and
Sole Company
Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

**BOULDER STEEL LTD
ACN 009 074 588**

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7:00pm (AEST) on Monday 6th April 2015.

1. **Appointing a Proxy:** A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **New sections 250BB and 250BC of the Corporations Act:** These sections apply to voting by proxy and mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote: Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**BOULDER STEEL LTD
ACN 009 074 588**

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

Transfer of non-chair proxy to chair in certain circumstances: Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. Signing Instructions:

- **(Individual):** Where the holding is in one name, the Shareholder must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

5. Attending the Meeting: Completion of a Proxy Form will not prevent individual Shareholders from attending the General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the General Meeting.

6. Return of Proxy Form: To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Boulder Steel Ltd, PO Box 1974, West Perth, WA, 6872;
- by facsimile to Boulder Steel Ltd on (08) 9463 6373 (within Australia) or +61 8 9463 6373 (outside Australia),

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Boulder Steel Ltd
ACN 009 074 588

Corporate Representative Form

Please return this Appointment Form of Corporate Representative to the following address

Boulder Steel Ltd
PO Box 1974, WEST PERTH, WA 6872
Or
Facsimile on (08) 9463 6373 (within Australia)
+61 8 9463 6373 (outside Australia)

Shareholder Details

This is to certify that by a resolution of the directors of the following company (**Corporate Shareholder**):

(Insert Corporate Shareholder Name) _____ ACN _____

(Insert Address)

the Corporate Shareholder has appointed:

(Insert Name of Corporate Representative)

in accordance with the provisions of Section 250D of the Corporations Act 2001 (Cth) to act as the Corporate Representative of the Corporate Shareholder to exercise all or any of the powers the Corporate Shareholder may exercise at the General Meeting of shareholders of Boulder Steel Ltd ACN 009 074 588 to be held on Wednesday 8th April 2015 at 12:00pm (AEST) and at any adjournment or postponement of the General Meeting, or any meeting arising from the General Meeting.

Dated this day of 2015

Executed by

ACN
in accordance with section 127 of the *Corporations Act 2001*:

Director

Director/Secretary

Name of Authorised Representative

Signed by Authorised Representative