

BGD CORPORATION LIMITED

(Formerly known as Boulder Steel Ltd)

ABN 78 009 074 588

ANNUAL REPORT

For the year ended

30 JUNE 2015

BGD CORPORATION LIMITED
(Formerly Boulder Steel Limited)
ABN 78 009 074 588
ANNUAL FINANCIAL STATEMENTS 30 JUNE 2015

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CORPORATE DIRECTORY

Directors

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

Company Secretary

Heath Roberts

Registered office

Suite 202
50 Clarence St
Sydney, New South Wales, 2000

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

BGD CORPORATION LIMITED
(Formerly Boulder Steel Limited)
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DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of BGD Corporation Limited ("the Company" or "BGD") and controlled entities ("the Group") for the financial year ended 30 June 2015.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr Shane Tanner	<i>Non-executive Chairman (Appointed 25 November 2014)</i>
Mr Craig Higgins	<i>Non-executive Director (Appointed 25 November 2014)</i>
Mr Faldi Ismail	<i>Non-executive Director (Appointed 10 September 2014)</i>
Mr Nicholas Young	<i>Non-executive Director (Appointed 10 September 2014, resigned 1 February 2015)</i>
Mr John Ciganek	<i>Non-executive Director (Appointed 10 September 2014, resigned 25 November 2014)</i>
Mr Daniel Owen	<i>Executive Director (Resigned 10 September 2014)</i>
Mr Christopher Ryan	<i>Non-executive Chairman (Resigned 10 September 2014)</i>

2. COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Mr Andrew Rowell	Mr Rowell is a qualified and experienced geologist, resources analyst and corporate adviser. Mr Rowell has worked in the financial services sector for the past ten years, providing corporate advice and capital raising services to a number of companies in a diverse range of industry sectors. Mr Rowell holds a Bachelor of Science Degree with Honours (Geology) and a Master of Science Degree (Mineral Economics). He is a Member of the Australian Institute of Company Directors.
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3. NATURE OF OPERATIONS PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of a review of the development of the Gladstone Steel Plant project in Gladstone, Queensland. The review was conducted via the associate ESPP Pty Ltd.

4. DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the financial year ended 30 June 2015.

5. REVIEW OF OPERATIONS

5.1. Operations Review

Further to the Recapitalisation Proposal as detailed in 6. Significant Changes in State of Affairs, 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 assets of the Company to ESPP. The transfer of all 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 Deed of Company Arrangement being \$300,000.

At 30 June 2015, the Company continues to hold a 50% interest ESPP.

5.2. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$1,255,519 (2014: \$457,298 loss).

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The net assets of the Group have increased by \$1,810,321 from 30 June 2014 to \$1,491,204 at 30 June 2015.

As at 30 June 2015, the Group's cash and cash equivalents increased from 30 June 2014 by \$1,196,493 to \$1,204,140 and had working capital of \$1,181,808 (2014: \$919,117 net deficient).

Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending 12 months from the date of this report.

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

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.

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.

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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.

There were no other significant changes to the state of affairs of the Group.

7. EVENTS SUBSEQUENT TO REPORTING DATE

On the 1 July 2015, Mr Heath Roberts, was appointed as Company Secretary.

Mr Roberts is a commercial solicitor with eighteen years ASX listed company experience, to Executive Director level. He has particular strength in corporate operations and compliance, asset due diligence and acquisitions and equity/debt funding, focused on the IT, resources and healthcare sectors. As Company Secretary then Executive Director of WPG Resources Ltd (2005 – 2013), Mr Roberts played a pivotal role in the acquisition of WPG's iron ore assets in South Australia, project permitting/funding then sale to Arrium Ltd for \$320 million in 2011. He has acted as Company Secretary and/or Director for numerous ASX Listed and private companies and was previously Secretary of the Sydney Kings Basketball team.

On the 22 July 2015 the Company completed an unmarketable share parcel sale.

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.

8. LIKELY DEVELOPMENTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

9. INFORMATION ON DIRECTORS

The following information on directors including the share and option holdings is current as at the date of this report:

Mr Shane Tanner	- Chairman (Non-Executive)
Qualifications	- FCPA, ACIS
Experience	- A former Director of Mayne Nickless Diagnostic Services and Sterihealth Ltd, Mr Tanner has extensive commercial and financial experience in a number of industries, particularly health.
Interest in Shares and Options	- 474,448 (Shares) Nil (Options)
Directorships held in other listed entities	- Paragon Care Limited (Appointed December 2005) – Chairman Funtastic Limited (Appointed March 2009) - Chairman Vision Eye Institute (Appointed December 2004) - Chairman

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Mr Craig Higgins	- Director (Non-executive)
Qualifications	- ACA
Experience	- Mr Higgins is the Commercial Director at Liverpool Partners and brings board experience in the listed mid-tier market in Australia across the defence, technology, telecommunications and media sectors.
Interest in Shares and Options	- 474,44 (Shares) Nil (Options)
Special Responsibilities	- Nil
Directorships held in other listed entities	- No directorships in any other listed entities as at the reporting date or in the past three years.
 Mr Faldi Ismail	 - Director (Non-executive)
Qualifications	- Bachelor of Business (Accounting & Finance)
Experience	- Mr Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies. With many years of investment banking experience, his expertise covers a wide range of industry sectors. Mr Ismail is the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings (IPO's) and is currently a director of several ASX-Listed companies.
Interest in Shares and Options	- 6,555,033 (Shares) 2,250,000 (Options)
Directorships held in other listed entities	- WHL Energy Limited Emergent Resources Limited Kalimantan Gold Corporation Ascot Resources Limited (Resigned 27 March 2013) Coventry Group Limited (Resigned 8 January 2013) Minbos Resources Limited (Resigned 1 January 2012)
 Mr Nicholas Young	 - Director (Non-executive) (Resigned 1 February 2015)
Qualifications	- Bachelor of Commerce (Accounting and Finance) and Chartered Accountant
Experience	- Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance and is a Chartered Accountant. Mr Young commenced his career at Pitcher Partners and has gained valuable experience in Australia and Southern Africa in corporate restructuring, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX listed companies.

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- Interest in Shares and Options¹ - 10,100,000 (Shares) 8,250,000 (Options)
- Directorships held in other listed entities - No directorships in any other listed entities as at the reporting date or in the past three years.

- Mr John Ciganek** - Director (Non-executive) (Resigned 25 November 2014)
- Qualifications - Bachelor of Mining Engineering & Masters of Business Administration
- Experience - Mr Ciganek has over 20 year experience as a senior executive within mining and investment banking. He is currently an Executive Director with BurnVoor Corporate Finance, a boutique investment bank and advisory firm. Most recently, he was General Manager Corporate Development for PMI Gold Corporation, an AIM and TSX list developer with gold assets in Ghana. Prior to PMI Gold Corporation, he held various investment banking roles including partner/co-founder of Everspring Partners, Resources Analyst for BBY, associate director for BurnVoor Corporate Finance and Risk Executive with Commonwealth Bank. Mr Ciganek is a qualified Mining Engineer and holds a Masters of Business of Administration.

- Interest in Shares and Options² - Nil
- Directorships held in other listed entities - No directorships in any other listed entities as at the reporting date or in the past three years.

10. MEETINGS OF DIRECTORS

During the financial year nine (7) meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	COMMITTEE MEETINGS							
	DIRECTORS' MEETINGS		DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Shane Tanner	4	4						
Faldi Ismail	7	7	<i>At the date of this report, the Remuneration Committee, Audit Committee and Nomination Committee comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i>					
Craig Higgins	4	4						
Nicholas Young	4	4						
John Ciganek	3	3						
Daniel Owen	-	-						
Christopher Ryan	-	-						

¹ Balance at resignation date

² Balance at resignation date

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11. INDEMNIFYING OFFICERS OR AUDITOR

Indemnification

The Company indemnifies each of its Directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

12. OPTIONS

Unissued shares under option

At the date of this report, the un-issued ordinary shares of BGD Corporation Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
31 October 2011	31 October 2015	\$9.20 ³	335,870
23 December 2014	31 January 2018	\$0.01	45,000,000
23 December 2014	23 December 2018	\$0.01	50,000,000
8 April 2015 ⁴	8 April 2016	\$0.01	5,000,000
			100,335,870

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate. No shares were issued during the year on exercise of options (2014: Nil).

³ Exercise price and number of options on issue have been adjusted for the share consolidation completed by the company on 11 September 2014.

⁴ The grant date of the options is the original date as approved by shareholders' on the 8 April 2015, the options will be issued after the 30 June 2015 subject to fresh shareholder approval on 1 September 2015..

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13. ENVIRONMENTAL REGULATIONS

The Company is subject to the environmental regulations under legislation of the Commonwealth of Australia. The Company aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental regulations.

14. NON-AUDIT SERVICES

During the year, Ernst and Young, the Company's auditor did not provide any services other than their statutory audits. Details of their remuneration can be found within the financial statements at Note 6 Auditor's remuneration on page 30.

In the event that non-audit services are provided by Ernst and Young, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

15. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

16. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2015 has been received and can be found on page 15 of the annual report.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001(Cth), as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to options and shares
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties

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REMUNERATION REPORT (AUDITED)

1. Introduction

Key Management Personnel ("KMP") have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committees. Accordingly, all matters are considered by the full Board of Directors.

During the financial year, the Company did not engage any remuneration consultants.

Remuneration report approval at FY14 Annual General Meeting (AGM) held on 8 April 2015.

The FY14 remuneration report received positive shareholder support at the FY14 AGM with a vote of 79.86% in favour.

3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

At the date of this report the Company has no executives appointed.

At this stage the Board does not consider the Group's earnings or earnings related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities.

When required the Company will formalise remuneration arrangements with executives in employment agreements.

4. Non-executive director fee arrangements

The Board policy is to remunerate Non-Executive Directors at a level to comparable Companies for time, commitment, and responsibilities. Non-executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors have been provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required.

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REMUNERATION REPORT (AUDITED)

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of \$150,000 per annum and any change is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Fees for the Non-Executive Directors for the financial year were \$131,866 (2014: \$Nil) and cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Group.

5. Details of Remuneration

The Key Management Personnel of BGD Corporation Limited include the Directors of the Company. There are no other Key Management Personnel as at 30 June 2015.

Group Key Management Personnel	2015				Post-employment benefits Super-annuation	Long-term benefits Other	Equity-settled share-based payments		Total	% of remuneration as options
	Short-term benefits						Equity	Options ⁶		
	Salary, fees and leave ⁵	Profit share and bonuses	Non-monetary	Other						
Directors:	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Shane Tanner	21,000	-	-	-	-	-	-	15,641	36,641	43%
Faldi Ismail	48,700	-	-	-	-	-	19,980	15,740	84,420	19%
Craig Higgins	21,000	-	-	-	-	-	-	15,641	36,641	43%
Nicholas Young	33,700	-	-	-	-	-	94,905	57,714	186,319	31%
John Ciganek	7,466	-	-	-	-	-	-	-	7,466	-
Daniel Owen ⁷	-	-	-	-	-	-	-	-	-	-
Christopher Ryan ⁸	-	-	-	-	-	-	-	-	-	-
	131,866	-	-	-	-	-	114,885	104,736	351,487	

⁵ Where applicable, includes director fees paid to directors who sit on the board of ESPP as a representative of BGD Corporation. At 30 June 2015 Faldi Ismail and Nicholas Young were the representatives of BGD on the ESPP board.

⁶ Determined at the time of grant per AASB 2. For details on the valuation of the options, including models and assumptions used, please refer to Note 16 of the financial report.

⁷ Daniel Owen was a pre-administration director of the Company - no payments were made to Mr Owen from BGD Corporation for the reporting period.

⁸ Christopher Ryan was a pre-administration director of the Company - no payments were made to Mr Ryan from BGD Corporation for the reporting period.

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REMUNERATION REPORT (AUDITED)

Year Ended 30 June 2014

From the period 22 July 2013 to 29 October 2013 and 30 October 2013 to 10 September 2014 the company was under administration. The Company's operations were suspended by the Administrator. The Company did not have adequate information to enable the disclosures required by *Corporations Act 2001* for the year ended 30 June 2014 to be made.

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. 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. 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. The DoCA was effectuated on 10 September 2014

For the year ended 30 June 2014, the company incurred administrator's fees of \$370,334. For the year ended 30 June 2015, administrator fees were processed through the creditors trust.

6. Additional disclosures relating to options and shares

Options awarded, vested and lapsed during the year

The table below discloses the number of share options granted, vested or lapsed during the year.

Share options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, until their expiry date.

30 June 2015	Grant date	Value of options granted during the year \$	Grant No.	Vesting date	Exercise Price	Expiry date	No. vested during the year	No. lapsed during the year
Faldi Ismail	23 December 2014	15,740	2,250,000	23 December 2014	0.01	23 December 2018	2,250,000	-
Nicholas Young	23 December 2014	57,714	8,250,000	23 December 2014	0.01	23 December 2018	8,250,000	-
Shane Tanner	8 April 2015	15,641	2,500,000	8 April 2014	0.01	8 April 2017	2,500,000*	-
Craig Higgins	8 April 2015	15,641	2,500,000	8 April 2014	0.01	8 April 2017	2,500,000*	-

No shares were issued during the year on exercise of options (2014: Nil).

* On 8 April 2015, shareholders approved the issue of a total of 5,000,000 options (2,500,000 to each of Messrs Tanner and Higgins), as noted above. As a result of an oversight, these options were not issued. The ASX Listing Rules require a fresh shareholder approval in order for the options to be issued. A shareholder meeting is scheduled for 1 September 2015 for this purpose.

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REMUNERATION REPORT (AUDITED)

KMP Options holdings

The number of options* over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2015	Balance at the start of the year	Granted during the year ⁹	Exercised during the year	Other changes during the year ¹⁰	Balance at the end of the year	Vested and exercisable	Vested and un-exercisable
Shane Tanner	-	2,500,000	-	-	2,500,000	-	2,500,000
Craig Higgins	-	2,500,000	-	-	2,500,000	-	2,500,000
Faldi Ismail	-	-	-	2,250,000	2,250,000	2,250,000	-
Nicholas Young (Resigned 1 February 2015)	-	-	-	8,250,000	8,250,000	8,250,000	-
John Ciganek (Resigned 25 November 2014)	-	-	-	-	-	-	-
Christopher Ryan (Resigned 10 September 2014)	-	-	-	-	-	-	-
Daniel Owen (Resigned 10 September 2014)	500,000	-	-	-	500,000	500,000	-
Total	500,000	5,000,000	-	10,500,000	11,000,000	11,000,000	5,000,000

30 June 2014	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Christopher Ryan	-	-	-	-	-	-	-
Alexander Lang (Resigned 30 October 2013)	-	-	-	-	-	-	-
Daniel Owen	500,000	-	-	-	500,000	500,000	-
Total	500,000	-	-	-	500,000	500,000	-

* Includes options or shares held directly, indirectly and beneficially by KMP

⁹ Shareholder approval granted 8 April 2015, options to be issued post 30 June 2015. Refer Note *1 above.

¹⁰ Directors participated in promoter placement paying \$0.0001 per option. Options were revalued in accordance with fair value accounting; refer to Note 16 of the financial report for further details.

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REMUNERATION REPORT (AUDITED)

KMP Shareholdings

The number of ordinary shares* in BGD Corporation Limited held by each KMP of the Group during the financial year is as follows:

	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year ¹¹	Balance at end of Year
30 June 2015					
Shane Tanner	-	-	-	-	-
Craig Higgins	-	-	-	-	-
Faldi Ismail	-	-	-	6,080,586	6,080,586
Nicholas Young (Resigned 1 February 2015)	-	-	-	10,100,000	10,100,000
John Ciganek (Resigned 25 November 2014)	-	-	-	-	-
Christopher Ryan (Resigned 10 September 2014)	-	-	-	-	-
Daniel Owen (Resigned 10 September 2014)	-	-	-	-	-
Total	-	-	-	16,180,586	16,180,586

	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
30 June 2014					
Christopher Ryan	-	-	-	-	-
Alexander Lang (Resigned 30 October 2013)	-	-	-	-	-
Daniel Owen	-	-	-	-	-
Total	-	-	-	-	-

7. Loans to KMP and their related parties

There were no loans made to Key Management Personnel during the financial year.

* Includes options or shares held directly, indirectly and beneficially by KMP

¹¹ Directors participated in promoter placement paying \$0.0001 per share. Shares were revalued in accordance with fair value accounting, refer to Note 17 of the financial report for further details.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

8. Other transactions and balances with KMP and their related parties

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 of \$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.
- Rental of office space and registered office \$25,000 paid to Adamantium Holdings Pty Ltd is a company controlled by director Faldi Ismail.
- Certain KMP participated in the promoter share and options offer which have been revalued as a share based payment the amounts are recorded in the remuneration tables, refer to Note 16 of the financial report for further detail.

During the reporting period the following loans were made to the Company from KMP:

- 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. No amount remained outstanding at 30 June 2015.

REMUNERATION REPORT (END)

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



Shane Tanner
Non-Executive Chairman

Dated 28 August 2015

Auditor's Independence Declaration to the Directors of BGD Corporation Limited

In relation to our audit of the financial report of BGD Corporation Limited for the financial year ended 30 June 2015, 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
28 August 2015

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Other Income	2	353,637	30,076
Administrators expense		-	(370,334)
Salaries and employee benefits expense	3	-	(15,609)
Director fees		(131,866)	-
Management fees		(280,000)	-
Corporate expenses		(239,472)	(101,486)
Share based payment	16	(880,561)	-
Other expenses		(61,223)	-
Results from operating activities		<u>(1,239,485)</u>	<u>(457,353)</u>
Finance costs		(25,501)	-
Finance income	2	9,467	55
		<u>(16,034)</u>	<u>55</u>
Loss before income tax		<u>(1,255,519)</u>	<u>(457,298)</u>
Income tax expense	4	-	-
Loss for the period		<u>(1,255,519)</u>	<u>(457,298)</u>
Other comprehensive income:			
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(1,255,519)</u>	<u>(457,298)</u>
Loss attributable to:			
Members of the parent entity		(1,255,519)	(457,298)
		<u>(1,255,519)</u>	<u>(457,298)</u>
Total comprehensive loss attributable to:			
Members of the parent entity		(1,255,519)	(457,298)
		<u>(1,255,519)</u>	<u>(457,298)</u>
Basic & Diluted loss per share (cents per share)	7	(0.75)	(3.7)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8 a	1,204,140	7,647
Trade and other receivables	9	40,835	-
Other assets		9,397	-
TOTAL CURRENT ASSETS		1,254,372	7,647
NON-CURRENT ASSETS			
Investments accounted for using the equity method	10	300,000	-
Intangible assets	11	-	600,000
TOTAL NON-CURRENT ASSETS		300,000	600,000
TOTAL ASSETS		1,554,372	607,647
CURRENT LIABILITIES			
Trade and other payables	12	63,168	368,278
Short term provisions	13	-	458,486
Other liabilities	14	-	100,000
TOTAL CURRENT LIABILITIES		63,168	926,764
TOTAL LIABILITIES		63,168	926,764
NET ASSETS/ (LIABILITIES)		1,491,204	(319,117)
SHAREHOLDERS' EQUITY/ (DEFICIT)			
Issued capital	15	56,437,509	54,036,006
Reserves	15	1,362,735	13,575,267
Accumulated losses		(56,309,040)	(67,930,390)
SHAREHOLDERS' EQUITY/ (DEFICIT)		1,491,204	(319,117)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2015

	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2013	54,036,006	13,575,267	(67,473,092)	138,181
Loss for the year	-	-	(457,298)	(457,298)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	-	-	(457,298)	(457,298)
Transactions with owners, recognised directly in equity				
Options issued during the year	-	-	-	-
Balance at 30 June 2014	54,036,006	13,575,267	(67,930,390)	(319,117)
Balance at 1 July 2014	54,036,006	13,575,267	(67,930,390)	(319,117)
Loss for the year	-	-	(1,255,519)	(1,255,519)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,255,519)	(1,255,519)
Transactions with owners, recognised directly in equity				
Issue of equity instruments	2,500,500	500	-	2,501,000
Share based payments	499,500	663,837	-	1,163,337
Transaction costs	(598,497)	-	-	(598,497)
Options expired during the period	-	(12,876,869)	12,876,869	-
Balance at 30 June 2015	56,437,509	1,362,735	56,309,040	1,491,204

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(694,125)	(537,287)
Payment to deed administrator		(473,127)	-
Interest received		9,467	55
Interest paid		(25,501)	-
Net cash used in operating activities	8 b	<u>(1,183,286)</u>	<u>(537,232)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from receipt of deposit in accordance with the deed of company arrangement		470,000	100,000
Proceeds from asset disposal		-	4,589
Net cash from investing activities		<u>470,000</u>	<u>104,589</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments		2,501,000	-
Capital raising costs		(315,721)	-
Repayment of borrowings		(270,000)	-
Funds held in trust		(5,500)	-
Net cash from financing activities		<u>1,909,779</u>	<u>-</u>
Net increase/ (decrease) in cash and cash equivalents		1,196,493	(432,643)
Cash and cash equivalents at the beginning of the financial year		7,647	440,290
Cash and cash equivalents at the end of the financial year		<u>1,204,140</u>	<u>7,647</u>

The accompanying notes form part of these financial statements

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

These consolidated financial statements cover BGD Corporation Limited ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). BGD Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Group's consolidated financial statements are presented in Australian dollars, which is also the Parent's functional currency.

The financial statements were issued in accordance with a resolution by the board of directors on 28 August 2015 by the directors of the Company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial report

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian interpretations) adopted by the Australian Accounting Standard Board ("AASB") and the Corporations Act 2001. This is the first annual financial report in which the Directors have made an unreserved statement of compliance since coming out of voluntary administration on 10 September 2014 (see below).

In preparing the annual financial report, which covers the first annual reporting 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 2014; and
- the net profit after tax or cash flows for the year ended 30 June 2014

The financial statements have been prepared on an accruals basis and are based on historical costs modified. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

b) 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

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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 financial reports for the 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 who 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 full year ended 30 June 2014.

To prepare the financial reports for the 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 year. However, there may have been information that the current Directors were not able to obtain, the impact of which may or may not have been material on the financial reports for the full year ended 30 June 2014.

Accordingly, the financial reports for the full year ended 30 June 2014 did not contain all the required information or disclosures in relation to 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 full year ended 30 June 2014 and 30 June 2015 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 the financial report 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 the financial reports gave a true and fair view of the Group's financial position as at 30 June 2014 and for the year 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 full year ended 30 June 2014.

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investments retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

d) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Financial liabilities

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Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group has no material financial guarantees.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f) Impairment of non-financial assets

At the end of each reporting period, the Directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control

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Investments in associates are accounted for in the Financial Statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Details of the Group's investments in associates are provided in Note 10.

h) Intangible assets

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

j) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable

k) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from, or payable to, the ATO is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Critical Accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Share-based transactions

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 16.

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NOTE 2: REVENUE AND OTHER INCOME	2015	2014
	\$	\$
Revenue from continuing operations		
Other revenue:		
- Interest received, non-related parties	9,467	55
Total Revenue	9,467	55
 Other Income:		
- Proceeds from sale of assets	-	30,076
	-	30,076
 Gain arising from Deed of Company Arrangement		
- Assets transferred to the Deed Administrators	(373,128)	-
- Final DOCA payment	(100,000)	-
	(473,128)	-
 - Gain on creditor obligations released	826,765	-
	353,637	30,076

Other Income - Gain arising from Deed of Company Arrangement

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.

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NOTE 2: REVENUE AND OTHER INCOME

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 \$353,637 being recognised in the full year ended 30 June 2015 as detailed above.

NOTE 3: LOSS FOR THE YEAR

Loss before income tax from continuing operations includes the following specific expenses:

Employee benefits expense:

- Superannuation expense	-	(15,609)
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NOTE 4: INCOME TAX

	2015	2014
	\$	\$
(a) Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-

(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 30% (2014: 30%)	(376,656)	(137,189)
Add / (Less)		
-Share-based payments	264,168	-
-Other	(130,748)	137,189
Tax effect of:		
Deferred tax asset not brought to account	243,236	*
Income tax attributable to operating loss	-	-

The applicable weighted average effective tax rates are as follows:

	Nil%	Nil%
Balance of franking account at year end	Nil	Nil

Deferred tax assets

Tax Losses	243,236	*
Other	154,892	*
Unrecognised deferred tax asset	398,128	*
Set-off deferred tax liabilities	-	-
Net deferred tax assets	398,128	*
Less deferred tax assets not recognised	(398,128)	*

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NOTE 4: INCOME TAX

	2015	2014
	\$	\$
Net Assets	-	-
Deferred tax liabilities		
Other	-	-
Set-off deferred tax assets	-	-
Net deferred tax liabilities	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	398,128	*

- * The previous directors resolved on 22 July 2013 that the Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. A Deed of Company Arrangement was wholly effectuated on the 10 September 2014 and the control of the Company was handed back to the newly appointed directors. As detailed in Note 1 (b), the current directors do not have access to sufficient information to enable this level of disclosure to be made for the previous reporting period.

Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2015, because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to KMP during the year are as follows:

	2015	2014
	\$	\$
Short-term employee benefits	131,866	*
Post employment benefits	-	*
Equity Settled	219,621	*
Other payments	-	*
Total KMP Compensation	351,487	*

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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

* 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. 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. 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. The DoCA was effectuated on 10 September 2014.

For the year ended 30 June 2014, the company incurred administrator's fees of (\$370,334). For the year ended 30 June 2015, administrator fees were processed through the creditors trust.

Loans to Key Management Personnel

There were no loans made to Key Management Personnel during the financial year.

Other KMP 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.
- Rental of office space and registered office \$25,000 paid to Adamantium Holdings Pty Ltd is a company controlled by director Faldi Ismail.
- Certain KMP participated in the promoter share and options offer which has been accounted for as a share based payment the amounts are recorded in the remuneration tables (Refer to Note 16 for further detail)

During the reporting period the following loans were made to the Company from KMP:

- 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. No amount remained outstanding at 30 June 2015.

NOTE 6: AUDITOR'S REMUNERATION

	Note	2015	2014
		\$	\$
Remuneration of the auditor of the Group for: ¹²			
- auditing or reviewing the prior period financial reports		32,960	-
- auditing or reviewing the financial reports		23,690	
		56,650	-

¹² There were no amounts paid to Ernst and Young during the period ending 30 June 2014.

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NOTE 7: LOSS PER SHARE

	Note	2015 \$	2014 \$
Reconciliation of loss to profit or loss:		(0.75 cents)	(3.7 cents)
Loss used in calculation of basic EPS		(1,255,519)	(457,298)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share		167,536,141	12,012,975*

* The weighted average number of ordinary shares used in the calculation of loss per share has been adjusted for the share consolidation completed by the company on 11 September 2014. Diluted loss per share has not been calculated as any option outstanding at 30 June 2015 and 30 June 2014 will be anti-dilutive.

NOTE 8 : CASH AND CASH EQUIVALENTS

Cash at bank		1,204,140	7,647
Total cash and cash equivalents in the statement of cash flows	8 a	1,204,140	7,647

CASH FLOW INFORMATION

Loss after income tax		(1,255,519)	(457,298)
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Non-cash flows in loss after income tax

Share based payment expense		880,561	-
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Changes in assets and liabilities

Decrease/ (increase) in receivables		(40,835)	-
Decrease/ (increase) in other assets		(3,896)	29,765

CASH FLOW INFORMATION

(Decrease)/ increase in payables		(763,597)	(109,699)
Cash flow (used in) operations	8 b	(1,183,286)	(537,232)

Credit Standby Facilities

The Group has no credit standby facilities.

Non-Cash Investing and Financing Activities

There were nil non-cash investing and financing activities for the period.

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

GST receivable	20,731	-
Other debtors	20,104	-
	40,835	-

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NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As part of the Recapitalisation of the Company (Refer to Note 2), 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 assets of the Company to ESPP. The transfer of all 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.

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NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following table illustrates the summarised financial information of the Group's investment ESPP:

	Note	2015	2014
		\$	\$
Current assets		-	-
Non-current assets		600,000	-
Current liabilities		-	-
Non-current liabilities		-	-
Equity		<u>600,000</u>	<u>-</u>
Group's carrying amount of the investment		<u>300,000</u>	
Revenue		-	-
Cost of sales		-	-
Profit before tax		<u>-</u>	<u>-</u>
Income tax expense		-	-
Profit for the period (continuing operations)		<u>-</u>	<u>-</u>
Total comprehensive income for the period (continuing operations)		<u>-</u>	<u>-</u>
Group's share of profit for the period		<u>-</u>	<u>-</u>

The associate had no contingent liabilities or capital commitments as at 30 June 2015.

Name	Principal Activities	Country of Incorporation	%	%
Euroa Steel Plant Pty Ltd	Metal Forging	Australia	<u>50</u>	-

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NOTE 11: INTANGIBLES	Note	2015	2014
		\$	\$
NON-CURRENT			
Balance at the beginning of the year		600,000	600,000
Disposal of asset		(600,000)	-
Balance at the end of the year		-	600,000

Disposal of Intangibles

During the year ended 30 June 2015, intangible assets with a carrying value of \$600,000 were disposed of (30 June 2014: nil). Refer to Note 11 Investments Accounted for Using the Equity Method for additional information.

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade payables and accruals	63,168	368,278
	63,168	368,278

NOTE 13: SHORT TERM PROVISIONS

CURRENT

Employee benefits – current	-	458,486
	-	458,486

NOTE 14: OTHER LIABILITIES

CURRENT

Receipt of deposit in accordance with the deed of company	-	100,000
	-	100,000

15. ISSUED CAPITAL AND RESERVES

	2015	2014	2015	2014
	Shares	Shares	\$	\$
Balance at being of year	552,596,852	552,596,852	54,036,006	54,036,006
Consolidation of existing shares 1:46 nil consideration	(540,583,177)	-	-	-
Issued capital – General placement	250,000,000	-	2,500,000	-
Issued capital – Promoter shares	50,000,000	-	500,000	-
Issue cost	-	-	(598,497)	-
Balance at end of year	312,013,675	552,596,852	56,437,509	54,036,006

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15. ISSUED CAPITAL AND RESERVES

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet due diligence programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

Nature and Purpose of Reserves

Option Reserve

The option reserve is used to recognise the value of equity-settled share based payments. Refer to Note 16 for further details.

During the period listed options expired on the 30 June 2015, the value of the expired options being \$12,876,869 was reallocated to accumulated losses.

NOTE 16: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2015:

- i. On 22 December 2014, 50,000,000 Promoter share options were granted to various Promoters including related parties for consideration of \$0.00001 to acquire 1 share in the Company exercisable at \$0.01 on or before 22 December 2018. The options were valued under Black and Scholes and a fair value adjustment was posted as a share based payment for the difference to the consideration received. The options vest immediately and the share based payment recognised in the profit and loss was \$349,779. The options hold no dividend or voting rights and are transferrable.
- ii. On 22 December 2014, 50,000,000 Promoter shares were granted to various Promoters including related parties for consideration of \$0.00001 to acquire 1 share in the Company. The shares were re-valued and a fair value adjustment was posted as a share based payment for the difference to the consideration received. The share based payment recognised in the profit and loss was \$499,500.
- iii. On 22 December 2014, 45,000,000 of 50,000,000 Management options were granted to Liverpool Partners Pty Ltd to act as lead manager pursuant to the Capital Raising Agreement. The share options are exercisable at \$0.01 per option at any time from when the VWAP is \$0.02 or above for 20 consecutive trading days on or before 22 December 2017. The options vest immediately and a share based payment of \$282,776 was recognised in equity as a cost of capital. The options hold no dividend or voting rights and are transferrable.
- iv. On 8 April 2014, the remaining 5,000,000 of 50,000,000 Management Options were granted to related parties. The share options are exercisable at \$0.01 per option at any time from when the

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NOTE 16: SHARE BASED PAYMENTS

VWAP is \$0.02 or above for 20 consecutive trading days on or before 8 April 2017. The options vest immediately and the share based payment recognised in the profit and loss was \$31,282. The options hold no dividend or voting rights and are transferrable.

- v. Options granted to Key Management Personnel are as follow:

Grant Date	Number
22 December 2014	10,500,000
8 April 2015	5,000,000

These options vest immediately. Further details of these options are provided in Note 5. The options hold no voting or dividend rights and are unlisted.

A summary of the movements of all company options issued is as follows:

	2015 Options	2015 WAEP	2014 Options	2014 WAEP
Outstanding at 1 July	*	*	*	*
Granted during the year	100,000,000	(0.01)	*	*
Forfeited during the year	-	-	*	*
Exercised during the year	-	-	*	*
Outstanding at 30 June	100,000,000	(0.01)	*	*
Exercisable at 30 June	50,000,000	(0.01)		

The weighted average remaining contractual life of options outstanding at year-end was 3 years. The exercise price of outstanding share options at the end of the reporting period was \$0.01.

The weighted average fair value of options granted during the year was \$0.066 (2014: Nil). These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price:	\$0.01
Weighted average life of the option:	2.99 years
Expected share price volatility:	100%
Risk-free interest rate:	2.29%

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 previous directors resolved on 22 July 2013 that the Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. A Deed of Company Arrangement was wholly effectuated on the 10 September 2014 and the control of the Company was handed back to the newly appointed directors. As detailed in Note 1 (b), the current directors do not have access to sufficient information to enable this level of disclosure to be made for the previous reporting period.

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NOTE 17: 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.

NOTE 18: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, other debtors and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for Group's operations. The Group does not speculate in the trading of derivative instruments.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Floating Interest Rate	Non- interest bearing	2015 Total	Floating Interest Rate	Non-interest bearing	2014 Total
	\$	\$	\$	\$	\$	\$
Financial assets						
- Within one year						
Cash and cash equivalents	1,204,140	-	1,204,140	7,647	-	7,647
Other receivables	-	40,835	40,835	-	-	-
Total financial assets	1,204,140	40,835	1,244,975	7,647	-	7,647
Weighted average interest rate	0.79%			*		

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NOTE 18: FINANCIAL INSTRUMENTS

	Floating Interest Rate	Non- interest bearing	2015 Total	Floating Interest Rate	Non-interest bearing	2014 Total
Financial Liabilities						
<i>- Within one year</i>						
Trade and other Payables	-	63,168	63,168	-	368,278	368,278
Short term provisions	-	-	-	-	458,486	458,486
Other liabilities	-	-	-	-	100,000	100,000
Total financial liabilities	-	63,168	63,168	-	926,764	926,764
Net financial assets	1,204,140	(22,333)	1,181,807	7,647	(926,764)	(919,117)

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Movement in Profit	Movement in Equity
Year ended 30 June 2015	\$	\$
+/-1% in interest rates	12,041	12,041
Year ended 30 June 2014		
+/-1% in interest rates	*	*

* The previous directors resolved on 22 July 2013 that the Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. A Deed of Company Arrangement was wholly effectuated on the 10 September 2014 and the control of the Company was handed back to the newly appointed directors. As detailed in Note 1 (b), the current directors do not have access to sufficient information to enable this level of disclosure to be made for the previous reporting period.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The Group does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the Group.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

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NOTE 18: FINANCIAL INSTRUMENTS

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2015 \$	2014 \$
Cash and cash equivalents - AA Rated	8	1,204,140	7,647

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Refer to Capital Management, Note 16 for further information on the Group's Capital Management policy.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Net fair Value of financial assets and liabilities

Fair value estimation

Due to the short term nature of the receivables and payables the carrying value approximates fair value.

(e) Financial arrangements

The company has no other financial arrangements in place.

NOTE 19: PARENT ENTITY DISCLOSURES

(a) Financial Position of BGD Corporation Limited

	2015 \$	2014 \$
ASSETS		
Current assets	1,254,372	7,647
Total assets	1,554,372	607,647
LIABILITIES		
Current liabilities	63,168	926,764
Total liabilities	63,168	926,764

EQUITY

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NOTE 19: PARENT ENTITY DISCLOSURES

	2015	2014
	\$	\$
Issued capital	56,437,509	54,036,006
Reserves	1,362,735	13,575,267
Accumulated Losses	(56,309,040)	(67,930,390)
TOTAL EQUITY	1,491,204	(319,117)

(b) Financial Performance of BGD Corporation Limited

Loss for the year	(1,255,519)	(457,298)
Other comprehensive income	-	-
Total comprehensive income	<u>(1,255,519)</u>	<u>(457,298)</u>

(c) Guarantees entered into by BGD Corporation Limited for the debts of its subsidiary

There are no guarantees entered into by BGD Corporation Limited for the debts of its subsidiary as at 30 June 2015 (2014: none).

(d) Contingent liabilities of BGD Corporation Limited

There were no contingent liabilities as at 30 June 2015 (2014: Nil).

(e) Commitments by BGD Corporation Limited

There were no commitments as at 30 June 2015 (2014: none).

NOTE 20: CONTROLLED ENTITIES CONSOLIDATED

(a) BGD Corporation Limited

Controlled entity	Country of Incorporation	Class of Shares	Percentage Owned	
			2015	2014
GSPP Limited (formerly Asia* Pacific Seamless Tubes Limited)	Australia	Ordinary	-	100%
Boulder Steel (UAE) Limited*	Cayman Islands	Ordinary	100%	100%
EFS Holdings Pty Limited *	Australia	Ordinary	100%	100%
Euroa Steel Plant Project Pty Ltd	Australia	Ordinary	50%	-

* The previous directors resolved on 22 July 2013 that the Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. A Deed of Company Arrangement was wholly effectuated on the 10 September 2014 and the control of the Company was handed back to the newly appointed directors. Applications for the above subsidiaries are in the process of being placed into liquidation or deregistered.

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NOTE 21: COMMITMENTS	2015	2014
	\$	\$
Operating lease commitments:		
Not longer than 1 year	129,666	*
Longer than 1 year and not longer than 5 years	-	*
Longer than 5 years	-	*
	129,666	*

* The previous directors resolved on 22 July 2013 that the Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. A Deed of Company Arrangement was wholly effectuated on the 10 September 2014 and the control of the Company was handed back to the newly appointed directors. As detailed in Note 1 (b), the current directors do not have access to sufficient information to enable this level of disclosure to be made for the previous reporting period.

NOTE 22: CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2015 (2014: none).

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

On the 1 July 2015, Mr Heath Roberts, was appointed as Company Secretary.

Mr Roberts is a commercial solicitor with eighteen years ASX listed company experience, to Executive Director level. He has particular strength in corporate operations and compliance, asset due diligence and acquisitions and equity/debt funding, focused on the IT, resources and healthcare sectors. As Company Secretary then Executive Director of WPG Resources Ltd (2005 – 2013), Mr Roberts played a pivotal role in the acquisition of WPG's iron ore assets in South Australia, project permitting/funding then sale to Arrium Ltd for \$320 million in 2011. He has acted as Company Secretary and/or Director for numerous ASX Listed and private companies and was previously Secretary of the Sydney Kings Basketball team.

On the 22 July 2015 the Company completed an unmarketable share parcel sale.

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.

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ANNUAL FINANCIAL STATEMENTS 30 JUNE 2015

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Australian accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2015. Relevant Standards and Interpretations are outlined in the table below.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
AASB 9 Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially- reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. Financial assets a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.	1 January 2018	1 July 2018

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New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change		

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New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. Impairment The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.		
AASB 2015-1	AASB 7 Financial Instruments: Disclosures: Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure—Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 134 Interim Financial Reporting:	1 January 2016	1 July 2016

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New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 <i>Materiality</i>	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2014-9 Amendments to Australian Accounting	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting	1 January 2016	1 July 2016

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New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Standards – Equity Method in Separate Financial Statements	Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127.		

The Group has decided not to early adopt any of the new and amended pronouncements. The impact of the above standards is yet to be determined.

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DIRECTORS' DECLARATION

In the opinion of the Directors of BGD Corporation Limited and its controlled entities ('the Group')

1. The financial statements and notes and the additional disclosures included in the Director's Report, of the group are in accordance with the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
2. The financial report also complies with International Financial Reporting Standards as discussed in Note 1(a).
3. The Directors of BGD Corporation Limited were appointed on 10 September 2014. The Directors have identified that they did not have oversight or control over the Group's reporting system at any time prior to 10 September 2014. Accordingly, the above declaration is subject to the information outlined in Note 1(b).
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors and is signed for an on behalf of the Directors by:



Shane Tanner
Non-Executive Chairman

Dated 28 August 2015

Independent auditor's report to the members of BGD Corporation Ltd

Report on the financial report

We have audited the accompanying financial report of BGD Corporation Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In note 1 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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 Opinion

1. As disclosed in note 1(b) to the accounts, the Directors of BGD Corporation Limited who are responsible for the preparation of this financial report were appointed on 10 September 2014. The Directors have identified that they did not have oversight or control over the consolidated entity's reporting system at any time prior to 10 September 2014.

Due to the above, the Directors of BGD Corporation Limited have been unable to conclude without qualification, within its directors' declaration, that the financial statements of the consolidated entity for the financial year ended 30 June 2015 have been prepared in accordance with the *Corporation Acts 2001* and Australian Accounting Standards, to give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the year ended on that date.

The representation letter provided to the auditors by the consolidated entity has also been qualified on the basis that the Directors of BGD Corporation Limited did not have oversight or control over the reporting system at any time prior to 10 September 2014.

As a result of the above matter, we are 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 exited from 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 year ended 30 June 2015.

2. We audited the financial statements of the company for the financial year ended 30 June 2014. As detailed in note 1 (b), 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 (which are shown as comparatives in the 30 June 2015 financial statements) 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 year ended 30 June 2015.

Our opinion on the current period's financial report is also modified because of the possible effect of these matters on the comparability of the current period's figures and the corresponding figures.

Qualified Opinion

Because of the significance of the matters described in the Basis for Qualified Opinion paragraphs, we have not been able to obtain sufficient appropriate evidence to provide a basis for an opinion on the financial performance and cash flows of BGD Corporation Limited for the year ended 30 June 2015. Accordingly, we do not express an opinion on the financial performance and cash flows for the year ended 30 June 2015.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of BGD Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015; and
- ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with *International Financial Reporting Standards* as disclosed in note 1 (a).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Basis for Disclaimer of opinion

As disclosed in note 1(b) to the accounts, the Directors of BGD Corporation Limited who are responsible for the preparation of this financial report were appointed on 10 September 2014. The Directors have identified that they did not have oversight or control over the consolidated entity's reporting system at any time prior to 10 September 2014.

Due to the above, the Directors of BGD Corporation Limited have been unable to conclude without qualification, within its directors' declaration, that the remuneration report of the consolidated entity for the financial year ended 30 June 2015 has been prepared in accordance with section 300A of the *Corporation Acts 2001*.

The representation letter provided to the auditors by the consolidated entity has also been qualified on the basis that the Directors of BGD Corporation Limited did not have oversight or control over the reporting system at any time prior to 10 September 2014.

As a result of the above matters, we are unable to determine the completeness and accuracy of information related to the remuneration report presented to us for audit.

Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the remuneration report.

Report on other legal and regulatory requirements

Due to the matter described in the basis for qualified opinion paragraphs, we have not been given all information and explanation necessary for the conduct of the audit; and we are unable to determine whether the company has kept:

- a) financial records sufficient to enable the financial report to be prepared and audited; and
- b) other records and registers as required by the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
28 August 2015



BGD CORPORATION LTD 2015 CORPORATE GOVERNANCE STATEMENT

Approved by the Board of Directors on 11 September 2015

The Company's Board of Directors is responsible for the Corporate Governance of BGD Corporation Ltd (BGD) and its controlled entities. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable. The governance practices adopted by the Company are structured with reference to the 3rd Edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX CGPR).

The Board aims to achieve all of the Principles and Recommendations in stages as the Company grows and its circumstances change over time. The Company has experienced a significant period of time in external administration and has had a significant number of changes to the Board in recent years. Significant progress in the improvement of the Company's Corporate Governance practices was achieved with the adoption of a Corporate Governance package, as announced to ASX on 24 December 2014. ***The information provided below summarises how the Company presently complies with the ASX CGPR, and how it intends to comply with each of the current Principles and Recommendations going forward. As a result of the recent appointment of the majority of the Board and the Company's period under external management the Board does not comment on the Companies compliance or otherwise with the ASX CGPR for the full 2015 Financial Year.***

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is available on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html

Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's	NO	(a) The Company has adopted a Diversity Policy. (i) The Company has not established measureable objectives for achieving gender diversity, in view of the current size and nature of operations of the Company. (ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the measurable objectives, when considered appropriate.

progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.		(b) The Diversity Policy is available on the company website at: http://www.bouldersteel.com.au/corporate-governance.html (c) (i) Measurable objectives were not set during the reporting period for the reasons noted above. (ii) As at 30 June 2015, the proportion of women employed by the Group was as follows: • Board of Directors: 0% • Senior Executive positions: 0% • Total Company workforce: 17%
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan, at: http://www.bouldersteel.com.au/corporate-governance.html (b) A performance evaluation was not carried out during the reporting period. The Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. On that basis a performance evaluation was not considered necessary, although the process will be

		undertaken during the next reporting period.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. (b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. A performance evaluation was not carried out during the reporting period. The Company was released from external administration during the reporting period and the majority of staff / executives have only been recently appointed. On that basis a performance evaluation was not considered necessary, although the process will be undertaken during the next reporting period.
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee. The duties of the Nomination Committee (as carried out by the Board) are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html

individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	NO	The Board has not adopted a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) as the Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction and a skill matrix will be adopted when considered appropriate. Full details as to each director and senior executive's relevant skills and experience are available in the Directors Report contained in this 2015 Annual Report and Company's website.
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but	YES	(a) The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. The Directors considered to be independent are Messrs Tanner, Ismail and Higgins. (b) No disclosures are required in regard to (b); and (c) The length of service of each Director is provided in the Directors Report contained in this 2015 Annual Report.

the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director		
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	YES	The Board Charter requires that where practical the majority of the Board will be independent. All of the Directors are considered independent.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	YES	The Company's Chairman, Mr Shane Tanner is an independent director and is not the CEO.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and	YES	(a) The Company has a Corporate Code of Conduct that applies to the Company's directors, senior executives and employees.

employees; and (b) disclose that code or a summary of it.		(b) The Company's Corporate Code of Conduct is available on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

rotation of the audit engagement partner.		
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	NO	Although the Board is committed to this recommendation, the Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. There has been insufficient continuity in senior officer appointments for the relevant declarations to be obtained from either a CEO or CFO (neither appointment exist at the date hereof). A qualified declaration in the form and substance of declaration of this nature has been received from the Company's financial officer for the reporting period. In future reporting years, the relevant declaration is expected to be obtained from a CEO and CFO of the company.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure-Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website at:

		http://www.bouldersteel.com.au/corporate-governance.html
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and can be found on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	The Shareholder Communication Strategy (refer Recommendation 6.2 above) discloses the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.
Principle 7: Recognise and manage risk		
Recommendation 7.1		Due to the size and nature of the existing board and the magnitude of the Company's operations the Company

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	NO	currently has no Audit and Risk Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 the Company's Corporate Governance Plan available online on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	NO	(a) The Company process for risk management and internal compliance are set out in Schedule 8 of the Corporate Governance Plan on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html The Board intends to review the entity's risk management framework with management at least annually. (b) A review of the Company's risk management framework was not carried out during the reporting period, as the Company was released from external administration during the reporting period and the majority of the Board

		have only been recently appointed.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Schedule 3 of the Company's Corporate Governance Plan provides for the internal audit function of the Company. The Corporate Governance Plan can be found on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	Schedule 3 of the Company's Corporate Governance Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework will be conducted at least annually and reports will be created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.

(ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 the Company's Corporate Governance Plan available online on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors. The Corporate Governance Plan is available online on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or	YES	(a) The Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and

otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		approve any equity based plans. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
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Additional ASX Information

Use of cash & cash equivalents

In accordance with ASX Listing Rule 4.10.19, the Board has determined that the Company has used the cash and equivalents that it had at the time of its re-admission to the ASX in a way consistent with its business objectives, from the period of its re-admission to the ASX on 24 December 2014 to 30 June 2015.

Shareholder information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. This additional information was applicable as at 14 September 2015.

Top 20 Shareholders as at 14 September 2015

Rank	Name	Number of ordinary shares held	% of ordinary shares held
1	Almike Pty Ltd <Almond Super Fund A/C>	60,000,000	19.23%
2	Liverpool Holdings Pty Ltd <The Lim Family A/C>	31,489,191	10.09%
3	Gracemere Enterprises Pty Ltd <William Best Super Fund A/C>	20,000,000	6.41%
4	Mr Peter Curry	20,000,000	6.41%
5	JP Morgan Nominees Australia Limited	13,785,585	4.42%
6	United Equity Partners Pty Ltd <Polycorp Family A/C>	13,597,500	4.36%
7	Joanne Lisa Baskin	10,150,000	3.25%
8	Nicholas David Brown and Andrew Stephen Young (Family Account)	9,996,761	3.20%
9	Australian Executor Trustees Limited <APT 1 A/C>	9,130,000	2.93%
10	Tocknell Pty Ltd <Tocknell Family A/C>	8,050,000	2.58%
11	AH Super Pty Ltd <The AH Super Fund A/C>	5,500,000	1.76%
12	Mr Bachrun Bustillo	5,400,000	1.73%
13	Mr Mark Simari	5,000,000	1.60%
14	Romfal Sifat Pty Ltd <Fizmail Family A/C>	4,580,586	1.47%
15	Navy Health Ltd	4,350,000	1.39%
16	Daryl Baskin	4,350,000	1.39%
17	Onetangi Nominees Pty Ltd <Onetangi Super Fund A/C>	4,000,000	1.28%
18	Balvicar Pty Ltd <John Vatovec Super Fund A/C>	3,200,000	1.03%
19	Vincent Vozzo and Vivienne Macgillivray <Vozzo Super Fund A/C>	3,100,000	0.99%
20	David Narunsky	2,974,145	0.95%
Total top 20 holders		238,653,768	76.49%

Distribution of ordinary shareholders as at 14 September 2015

Name	Number of shareholders	Number of shares
1 – 1,000	106	39,422
1,001 – 5,000	63	174,437
5,001 – 10,000	13	85,635
10,001 – 100,000	115	6,424,590
100,001 and over	152	305,289,591
Total	449	312,013,675

At the prevailing market price of \$0.013 per share, there are 197 shareholders with less than a marketable parcel of shares (\$500).

Substantial Shareholders

Name	Disclosed Shareholding
Liverpool Holdings Pty Ltd for the Lim Family Trust (22.12.2014, released 04.02.2015)	31,489,191
Almike Pty Ltd atf Almond Super Fund Acct (22.12.2014, released on 04.02.2015)	60,000,000
Gracemere Enterprises (Aust) P/L at William Best Super Fund (22.12.2014, released on 04.02.2015)	20,000,000
Armytage Private Pty Ltd (27.01.2015)	26,880,000

Voting Rights

The voting rights attaching to ordinary shares, set out in the Company's Constitution are:

- (a) at meetings of members, each member is entitled to vote in person or by proxy, attorney or representative; and
- (b) on a show of hands, every person present who is a member has one vote, and on a poll every member present has a vote for each fully paid share owned.

There are no voting rights attached to unlisted ordinary shares or unlisted options, voting rights will be attached to unlisted ordinary shares once issued and to options upon exercise.

On-market Buy Back

There is no current on-market buy back.

Corporate Directory

Company Directors

Mr Shane Tanner	Chairman
Mr Faldi Ismail	Director
Mr Craig Higgins	Director

Company Secretary

Mr Heath Roberts

Registered Office

Suite 202, Level 2
50 Clarence Street
Sydney NSW 2000

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005
Telephone: 08 9324 2099

Auditors

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

Securities exchange listing

BGD Corporation Limited shares are listed on the Australian Securities Exchange (Listing code: BGD)

Website

www.bouldersteel.com.au