



Boulder Steel Ltd

ABN 78 009 074 588

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26 November 2014

Market Announcements
The Australian Stock Exchange
20 Bridge Street
SYDNEY, NSW, 2000

Dear Sir/Madam,

ISSUE OF PROSPECTUS

The Directors of Boulder Steel Ltd ("the Company") advise that the Company has today lodged a Prospectus with the Australian Securities and Investment Commission for the issue of up to 50,000,000 Promoter Shares, 50,000,000 Promoter Options, 50,000,000 Management Options and 250,000,000 General Placement Shares.

Offer Timetable

The indicative timetable, which is subject to change, is as follows:

Events	Date
Lodgement of the Prospectus with the ASIC	26 November 2014
Lodgement of the Prospectus with ASX	26 November 2014
Opening Date for the General Placement, Promoter Placement and Management Placement	26 November 2014
Closing Date for the General Placement, Management Placement and Promoter Placement ¹	5:00pm (AWST) 1 December 2014
Issue of Securities pursuant to the Prospectus	4 December 2014
Estimated date for Official Quotation of the Shares offered under this Prospectus Estimated date of reinstatement of the Company to ASX (subject to ASX's discretion as to whether to reinstate the Company's securities to Official Quotation) ^{1,2}	 9 December 2014

*The above dates are indicative only and may change without notice.

**Priority Offer**

The Company is offering all existing Australian resident Shareholders (excluding related parties of the Company) a priority allocation of Shares in the General Placement. Existing Australian resident Shareholders may apply for a minimum of 50,000 Shares representing a minimum investment of \$500.

The priority allocation of General Placement Shares is limited to a total of up to and not exceeding 25,000,000 Shares with applications in excess of 25,000,000 Shares subject to scaling back. In the event that existing Australian resident Shareholders do not subscribe for those 25,000,000 General Placement Shares under the Priority Offer, by the Closing Date, any shortfall will be made available to nominees of the Syndicate who are not related parties of the Company or associates of those related parties.

Whilst the Company will endeavour to offer all eligible Australian resident Shareholders a priority, the allocation of General Placement Shares to eligible Shareholders will be solely at the Board's discretion.

Applications

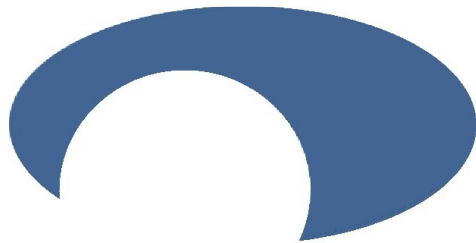
The Corporations Act prohibits any person passing onto another person an Application Form for securities unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form for any reason, including from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus.

A copy of this Prospectus can be downloaded from the website of the Company at www.bouldersteel.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

Yours faithfully,

Andrew Rowell
Company Secretary



Boulder Steel Ltd

ABN 78 009 074 588

PROSPECTUS

For the offer of up to 50,000,000 Promoter Shares at an issue price of \$0.00001 per Share to raise \$500 and up to 50,000,000 Promoter Options at an issue price of \$0.00001 per Promoter Option to raise \$500 (together, the **Promoter Placement**).

and

For the offer of up to 250,000,000 General Placement Shares at an issue price of \$0.01 per Share to raise up to \$2,500,000 (**General Placement**).

and

For the offer of up to 50,000,000 Lead Manager Options to the Lead Manager or its nominees (**Lead Manager Offer**) in consideration for services to be provided to the Company described in Section 7.6.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Shane Tanner
Non-Executive Chairman

Faldi Ismail
Non-Executive Director

Craig Higgins
Non-Executive Director

Nicholas Young
Non-Executive Director

Company Secretary

Andrew Rowell

Share Registry*

Automic Registry Services
Level 1
Ventnor Avenue
West Perth WA 6872
Telephone: +61 8 9324 2009
Facsimile: +61 8 9321 2337

Lead Manager

Liverpool Partners Pty Ltd
Suite 202, Level 2
50 Clarence Street
Sydney NSW 2000

Registered Office and principal place of business

108 Outram Street
West Perth, WA, 6005

Telephone: + 61 8 9486 7244
Facsimile: +61 8 9463 6373
Email: andrew@otsana.com
Website: www.bouldersteel.com.au

ASX Codes

BGD
BGDO

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Ernst & Young
The EY Building
11 Mounts Bay Road
Perth WA 6000

*These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTES

2.1 General

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

This Prospectus is dated 26 November 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be submitted on the relevant Application Forms, which accompany this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer.

2.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or

anticipated in these statements. These risk factors are set out in Sections 3.9 and 10 of this Prospectus.

2.3 Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.bouldersteel.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

2.4 Application Forms

The Corporations Act prohibits any person passing onto another person an Application Form for securities unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form for any reason, including from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus.

2.5 Diagrams

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

3. INVESTMENT OVERVIEW

This section is a summary only and not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. Investors should read this document in its entirety and, if in doubt as to any of the matters set out in the Prospectus, should consult their professional advisers.

3.1 Company History

The Company was incorporated on 1 September 1983 as Boulder Gold NL and was subsequently listed on the ASX. The Company's name was changed to Boulder Group NL during 1994 and the Company's company type was subsequently changed and it adopted its current name, Boulder Steel Ltd, during 2000. The Company is allocated the ASX code "BGD".

The Company, a materials company, is currently engaged in a joint venture (summarised in Section 7.2) for the purpose of the planning and development of the Euroa Steel Plant Project (**Project**), a conceptual integrated steel making plant proposed to be built in Gladstone, Queensland.

The Company has previously sought to progress an incomplete Environmental Impact Study (**EIS**) for the Project. The initial advice statement for the Project was submitted to the Queensland State Government on 12 November 2008. On 6 March 2009, the project was referred to the Commonwealth Minister for the Environment.

The EIS went through a public consultation period from 12 January 2013 to 25 February 2013. Additional information concerning the EIS was required to be provided in order to progress the EIS, which remains incomplete.

3.2 Administration overview

On 22 July 2013, the Company's securities were suspended from Official Quotation.

On or about 22 July 2013, the Company's former 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 Company's previous directors.

On or about 30 October 2013, Steven Nicols of Nicols + Brien Business Recovery was appointed as administrator of the Company (**Administrator**). Following appointment of the Administrator, the powers of the Company's officers (including its previous directors) were suspended and the Administrator assumed control of the Company's business, property and affairs.

On 4 February 2014, at an adjourned meeting of creditors with claims against the Company arising on or before 30 October 2013 (**Claims**) those creditors of the Company (**Creditors**) resolved to execute a deed of company arrangement (**DOCA**). The Company, the proponent of the Company's recapitalisation (Otsana Pty Ltd trading as Otsana Capital, **Otsana Capital**) and the Administrator executed the final form of the DOCA on 27 February 2014, which embodied a proposal by Otsana Capital for the reconstruction and

recapitalisation of the Company (**Recapitalisation Proposal**). Under the terms of the DOCA, the Administrator was appointed as deed administrator of the DOCA (**Deed Administrator**). Otsana Capital is a related party of the Company as Otsana Capital is controlled by a Director of the Company, Faldi Ismail who also holds all the shares in Otsana Capital. Another Director of the Company, Mr Nicholas Young, and the Company's Company Secretary, Mr Andrew Rowell, consult to Otsana Capital.

The Company will not need to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a result of the Recapitalisation Proposal.

3.3 Otsana Capital Recapitalisation Proposal

On 10 September 2014, the DOCA was wholly effectuated and control was handed back to the Directors of the Company. Accordingly, the Company is no longer subject to external administration.

In summary, the Recapitalisation Proposal involved:

- (a) a syndicate of investors nominated by and including Otsana Capital, including two of the Directors, Faldi Ismail and Nicholas Young, and a former director of the Company, John Ciganek (and their nominees), being approved by Shareholders to receive Securities pursuant to the General Placement and Promoter Placement as described in Section 3.12 (which parties, along with any other person nominated by Otsana Capital, and their associates, are the **Syndicate**). Shareholders' approval was received for those purposes at a General Meeting held by the Company on 4 September 2014 (**General Meeting**);
- (b) Otsana Capital procured the payment of a non-refundable deposit of \$100,000 to the Administrator (**Deposit**). If, for any reason, the Company was recapitalised by a party other than Otsana Capital or the assets of the Company are sold, then the Deed Administrator would repay Otsana Capital the Deposit from the proceeds of that other recapitalisation proposal or assets sale, in priority to any other payments and immediately after the receipt of those proceeds;
- (c) the Company will pay a further \$100,000 (subject to potential offsets for certain costs which may be incurred by the Company relevant to the DOCA) to the trustee of the trust fund established pursuant to a Creditors' Trust Deed in relation to the DOCA, to hold the Creditor Payment (which is defined below) and any other assets on trust pursuant to the terms of the Creditors' Trust Deed and DOCA (**Creditors' Trust**) within five days of the Company obtaining ASX reinstatement to official quotation on the ASX. The Company has entered into an agreement with Gladstone Steel Pty Ltd (ACN 169 371 028) (**GSPL**) whereby GSPL has agreed to contribute 50% of this amount, being \$50,000;
- (d) the Company consolidating its existing securities on a 1 for 46 basis rounded up to the nearest whole number (**Consolidation**), which has occurred;
- (e) the Company proceeding with the issues of securities the subject of the General Placement and Promoter Placement (on a post-Consolidation basis);
- (f) the Company will use \$250,000 of the funds raised from the General Placement and Promoter Placement to reimburse lenders (summarised

in Section 7.4 of this Prospectus, which lenders will also be paid interest as disclosed in that Section) for paying part of the total amount of \$600,000 which was owing and which has been paid or is payable to Creditors pursuant to the DOCA (**Creditor Payment** which payment is also inclusive of the Deposit, a further \$150,000 of which Otsana Capital previously procured to be paid and the \$100,000 amount described in Section 3.3(c));

- (g) new directors being appointed to the board of directors of the Company and all of the existing directors resigning (which has now occurred);
- (h) the Deed Administrator de-registering or liquidating the existing subsidiaries, including Boulder Steel (UAE) Limited, EFS Holdings Pty Limited and GSPP Limited, which is in the process of occurring; and
- (i) the claims of Creditors of the Company which are subject to the DOCA being compromised pursuant to the DOCA (which has occurred).

Further to the Recapitalisation Proposal, it was agreed that the Company would do the following:

- (j) incorporate or acquire a company to be jointly owned by the Company and GSPL, this company is Euroa Steel Plant Project Pty Ltd (**ESPP**) (which has occurred);
- (k) attend to transfer all of the existing business and assets of the Company to ESPP (which has occurred);
- (l) in consideration for the payment on behalf of the Company of 50% of the Creditor Payment to the Deed Administrator, \$250,000 of which was paid by Mr Paul Sundstrom (a director of ESPP and GSPL and the shareholder of GSPL) and \$50,000 of which is due to be paid by funding from GSPL within five days after the Company obtains reinstatement to official quotation on the ASX, which may or may not occur), GSPL has acquired a 50% interest in an incorporated joint venture company (ESPP) that holds the previous assets of the Company after the DOCA was effectuated (as summarised in Sections 7.1 and 7.2); and
- (m) the Company now holds a 50% interest in ESPP being the incorporated joint venture with GSPL over the pre-existing assets of the Company, which have been transferred to ESPP.

Under the Recapitalisation Proposal, it was agreed that the Creditor Payment would be paid to the Deed Administrator as trustee of the Creditors' Trust to satisfy Creditors' Claims under the DOCA. A Creditors' Trust Deed has been established which will be used to pay the Deed Administrator's fees and costs and the Administrator's fees and costs in his capacity as trustee of the Creditors' Trust and costs arising from the DOCA and administration, with the balance distributed to Creditors as full and final settlement of the Company's outstanding debts arising on or prior to the appointment of the Administrator of the Company on 30 October 2013 and if any funds remain after distribution to the Creditors, the funds will be applied to the Company. No such funds are expected to be received by the Company.

As summarised above, to enable the Company to satisfy its obligations under the DOCA, members of the Syndicate advanced loan funds of \$250,000 to the Company for the payment to the Deed Administrator for the purposes of

satisfying the Creditor Payment (as summarised in section 7.4 of this Prospectus). Accordingly, the Company will repay the loan from members of the Syndicate from the funds raised under the Offers. The Company will be required to pay \$100,000 to the Deed Administrator for the purposes of satisfying Creditors' claims under the Creditors' Trust Deed. Of this amount, \$50,000 will be paid by funding from GSPL to satisfy its obligation summarised above (as further described in Section 7.1).

The Recapitalisation Proposal was set out in the notice of the General Meeting, which notice was dated 7 July 2014. Shareholders voted to approve the necessary resolutions to approve the Recapitalisation Proposal at the General Meeting, including the appointment of a new board of directors.

Following completion of the Offers, the Board intends to review the previous strategy implemented by the Company with a view to the Company seeking to advance its existing business (through the ESPP joint venture) and also pursuing other acquisitions that have a strategic fit for the Company. Thereafter, the business plan going forward will focus on strategies that aim to generate the greatest returns and value for Shareholders (although no forecast is made as to whether that will occur). To this end, the Company has engaged the Lead Manager to explore both complementary and adjacent activity streams as described in Section 7.6.

While no arrangements are currently in place for the Company to acquire new businesses or assets, the Directors propose to seek to attract new business or asset opportunities once the Company has sufficient cash to meet its commitments going forward.

Subject to the successful raising of the minimum raising for the Offers under this Prospectus, and on satisfaction of certain other conditions summarised in Section 3.6 of this Prospectus (which the Company considers to be standard) the Company will seek for the suspension of trading of the Company's Shares and listed Options to acquire a Share (on the terms set out in Section 8.2 of this Prospectus (**Listed Option**)) to be lifted by the ASX.

3.4 The Objectives

The Company's main objectives on completion of the Offers are:

- reinstating its quoted Securities to trading on the ASX;
- progressing the studies on the proposed Project, via its shareholding in ESPP; and
- investigating further investment opportunities.

3.5 Key Investment Highlights

The following is a non-exhaustive list of investment highlights:

- (a) the proposed Project is envisaged to be developed as a producer of steel products. The proposed Project is subject to various study programs and approvals, which need to be satisfied before funding sources can be investigated and there are significant risks attached to its commercial viability (as outlined in this Prospectus); and

- (b) the Company will investigate a range of new business opportunities to complement the existing investment, although no such business opportunities have yet been identified.

3.6 ASX reinstatement conditions

ASX has provided a list of conditions, which the Company must comply with in order for its Shares to likely be reinstated to Official Quotation on ASX. These conditions are as follows:

- (a) confirmation that the Company has satisfied each of its obligations pursuant to the DOCA, and accordingly the DOCA has been fully effectuated and the Company is not subject to any other forms of external administration, receivership or liquidation;
- (b) confirmation of completion of the Consolidation of the Company's capital;
- (c) the Company demonstrating compliance with ASX Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX, as set out below:
 - (i) the Company's business objectives satisfy the requirements of ASX listing Rule 12.1;
 - (ii) confirmation of completion of the Company's capital raising of up to \$2,500,000 and that, after payment of the costs of the capital raising (if any) and payments to the Deed Administrator to satisfy obligations under the DOCA, the Company can demonstrate to ASX that it will have a minimum of \$1,000,000 in cash, net of all liabilities, at the date of reinstatement, to satisfy ASX Listing Rule 12.2;
 - (iii) where the Company is not a mining exploration entity or an oil and gas exploration entity, the commitments in respect of the business objectives satisfy the requirements of ASX Listing Rule 12.3; and
 - (iv) the Company's level of Shareholder spread will satisfy the requirements of ASX Listing Rule 12.4 if there are at least 300 holders each holding at least \$500 worth of fully paid ordinary shares;
- (d) confirmation the securities to be issued pursuant to the Recapitalisation Proposal have been issued, and despatch of each of the following has occurred:
 - (i) in relation to all holdings on the CHESS subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and
 - (iii) any refund money;
- (e) confirmation in a form acceptable to ASX that the Company has re-applied to CHESS for approval of its securities. This condition will not be deemed to have been satisfied until ASX Settlement Pty Limited has

confirmed that the Company satisfied the requirements for its securities to be CHESS approved securities;

- (f) reinstatement of the Company's CHESS sub-register;
- (g) lodgement of all outstanding Appendices 3B with ASX for issues of new securities;
- (h) provision of the following documents, in a form suitable for release to the market:
 - (i) a statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders;
 - (ii) a distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories:
 - 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
 - (iii) a statement outlining the Company's capital structure (on a post-Consolidation basis);
 - (iv) an updated pro forma balance sheet based on actual funds raised;
 - (v) an updated statement of commitments based on actual funds raised, such that at least 50% of cash on the pro-forma balance sheet is applied to specific commitments consistent with the company's business objectives;
 - (vi) a consolidated activities report setting out the proposed business strategy for the Company;
 - (vii) full terms and conditions of all Options on issue;
 - (viii) full terms and conditions of any employee incentive schemes;
 - (ix) an update on the status of the joint venture arrangements to be entered into between the Company and an unnamed joint venture partner (being GSPL, refer to Sections 7.1 and 7.2 of this Prospectus), including but not limited to the disclosure of the identity of the joint venture partner and a confirmation that the parties to the joint venture arrangement are neither related nor are they a party to whom listing rule 10.1 would apply;
 - (x) a statement disclosing the extent to which the Company will follow, as at the date its securities are reinstated, the recommendations set by the ASX Corporate Governance Council. If the Company does not intend to follow all of the recommendations on its reinstatement, the Company must identify those recommendations that will not be followed and give its reasons for not following them;

- (xi) a copy of the Company's trading policy; and
- (xii) a statement confirming the Company is in compliance with the ASX Listing Rules and in particular ASX Listing Rule 3.1;
- (i) confirmation of the responsible person for communication with ASX for the purposes of ASX Listing Rule 12.6;
- (j) lodgement of any reports outstanding since the Company's securities were suspended and any other outstanding documents required by ASX Listing Rule 17.5;
- (k) payment of any other ASX fees applicable and outstanding; and
- (l) provision of any other information required or requested by ASX.

The Company will use its best endeavours to satisfy each of the above conditions soon after close of the Offers.

3.7 Summary of the Offers

On 4 September 2014, the Company's Shareholders approved a recapitalisation of the Company, being the Recapitalisation Proposal.

Funds raised under this Prospectus will be used, among other purposes, to settle the Company's obligations to repay loans provided to the Company (summarised in Section 7.4 of this Prospectus) which were used to fund the Company's repayment of Creditors' Claims under the DOCA and are intended to permit the Company to be recapitalised and able to once again trade as a going concern on the ASX. The DOCA was wholly effectuated on 10 September 2014.

Below is important information in relation to the Promoter Placement, the General Placement and the Lead Manager Offer (together the **Offers**).

Pursuant to this Prospectus, the Company makes the following Offers:

Offers	
Promoter Placement:	<p>Parties nominated by Otsana Capital, including the Syndicate are invited to subscribe for:</p> <ul style="list-style-type: none"> (a) up to 50,000,000 fully paid ordinary shares in the capital of the Company (Shares) at an issue price of \$0.00001 per Share (Promoter Shares) to raise \$500, before costs of the Offers; and (b) up to 50,000,000 Options, issued on the terms set out in Section 8.4 of this Prospectus, at an issue price of \$0.00001 each (Promoter Options) to raise \$500, before costs of the Offers.
General Placement:	<p>General investors, including the Syndicate, are invited to subscribe for, in aggregate, up to 250,000,000 Shares at an issue price of \$0.01 per Share (the General Placement Shares) in each Applicant's case, in \$500 minimum parcels of at least 50,000 General Placement Shares) to raise in aggregate up to \$2,500,000, before costs of the Offers.</p> <p>As part of the General Placement, the Company is</p>

Offers	
	<p>offering all existing Shareholders resident in Australia (other than related parties of the Company) a priority allocation of a total of 25,000,000 General Placement Shares (Priority Offer).</p> <p>The minimum subscription under the General Placement is \$1,950,000, being a subscription for 195,000,000 General Placement Shares</p>
Lead Manager Offer	<p>The Lead Manager and its nominees may subscribe for up to 50,000,000 Lead Manager Options subject to the provisions of the Management Options Terms Sheet summarised in Section 7.6. Refer also to Section 8.5 for the terms of the Lead Manager Options. Subject to prior Shareholders' approval, two of the Directors, being Messrs Craig Higgins and Shane Tanner, may participate in the Lead Manager Offer as described in Section 11.3.</p>

3.8 Summary of important dates*

Events	Date
Lodgement of the Prospectus with the ASIC	26 November 2014
Lodgement of the Prospectus with ASX	26 November 2014
Opening Date for the Promoter Placement, General Placement and Lead Manager Offer	26 November 2014
Closing Date for the Promoter Placement, General Placement and Lead Manager Offer ¹	5:00pm (AWST) 1 December 2014
Issue of Securities pursuant to the Prospectus ²	4 December 2014
<p>Estimated date for Official Quotation of the Shares offered under this Prospectus</p> <p>Estimated date of reinstatement of the Company to ASX 1, 2 and 3</p>	9 December 2014

*The above dates are indicative only and may change without notice.

Notes:

- The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date. The Directors also reserve the right to resolve different Closing Dates for different Offers.
- The issue of Lead Manager Options pursuant to the Lead Manager Offer on this date will only occur to the extent of the Company's placement capacity at that time pursuant to ASX Listing Rule 7.1. Section 5.4 contains further information in relation to the proposed issue pursuant to the Lead Manager Offer.
- Please refer to section 3.6 of this Prospectus for details of ASX's reinstatement conditions.

3.9 Key risk factors

The business, assets and operations of our Company are subject to certain risk factors that have the potential to influence the operating and financial

performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited or non-existent.

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in this Section 3.9 of this Prospectus. Further industry specific and general risk factors are set out in Section 10 of this Prospectus.

The risk factors described in Sections 3.9 and 10 are not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Risk	Description
Project development risks	<p>The Project (as described in Section 6.4 of this Prospectus) has not yet been constructed or approved for construction and is subject to a variety of unfulfilled requirements which currently prevent the Project from being developed or commercialised. Those requirements include, without limitation, governmental and regulatory approvals, feasibility studies, project and construction financing, acquisition of appropriate real estate, access to raw materials to steel production, steel off-take arrangements and sourcing of customers, infrastructure, logistics, labour requirements, export requirements, environmental requirements and technical expertise and advice.</p> <p>The Company makes no representation or forecast as to whether and when any or all of those requirements and others will be fulfilled and there is a likelihood that one or more of them will never be fulfilled and that the Project will never exist or be commercialised.</p> <p>The Project has not been successfully commercialised to date (the Company was previously in voluntary external administration) and the Directors and current management do not have the expertise or experience necessary to develop a steel production project such as the Project.</p> <p>Further, if the Project is constructed, it is proposed to be designed to produce steel in bloom and round billet form (i.e. semi-finished steel) for export to overseas finishing plants. However, no such export arrangements exist currently and there can be no guarantee that such export arrangements will ever be agreed.</p> <p>Consequently, there is a very real risk that the Project will never eventuate and that no value to Security holders will be realised from the Project.</p> <p>This is the reason that the Company has entered into the agreements summarised at Sections 7.1 and 7.2 of this Prospectus, to obtain the assistance of third parties to seek</p>

Risk	Description
	to progress the Project.
Funding Risk	<p>The effect of the Offers, if they are completed, will be that the Company will have insufficient funds to finance the construction or development of the Project or other costs associated with it.</p> <p>The Company's ability to effectively implement its business and operations plans in the future:</p> <ul style="list-style-type: none"> • to take advantage of opportunities for acquisitions, joint ventures or other business opportunities; and • to meet any unanticipated liabilities or expenses which the Company may incur will depend on whether it can raise additional funds, which may not be achieved. <p>Failure to obtain sufficient financing for the Company's activities and future businesses (if any) may result in delay and indefinite postponement of the Company's business activities or even loss of its assets and undertaking.</p> <p>There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. Further, the Company, in the ordinary course of its operations and developments, may be required to issue financial assurances, such as insurances and bond/bank guarantee instruments.</p>
Financial reporting and AGM breaches	<p>The Company was placed under the control of an external administrator on 22 July 2013. The DOCA was wholly effectuated on 10 September 2014 and control of the Company was returned to the Directors. Furthermore, as at the date of this Prospectus:</p> <ul style="list-style-type: none"> • the Company has failed to hold its annual general meeting for 2013. The Company proposes to issue a notice of meeting of Shareholders for the 2013 annual general meeting, to be held following reinstatement of the Company's quoted Securities to trading on the ASX; • the Company has failed to hold its annual general meeting for 2014. The Company proposes to issue a notice of meeting of Shareholders for the 2014 annual general meeting, to be held following reinstatement of the Company's quoted Securities to trading on the ASX; • the Company failed to lodge its annual report for the financial year ended 30 June 2013 and the half-year report for the 6 months ended 31 December 2013 within the time periods prescribed by the Corporations Act. The Company subsequently released those accounts to the market on 31

Risk	Description
	<p>October 2014 and 3 November 2014; and</p> <ul style="list-style-type: none"> the Company has failed to lodge its annual report for the financial year ended 30 June 2014. The Company subsequently released that annual report on 3 November 2014. <p>The Company cannot guarantee that ASIC will not take enforcement action against the Company in respect of the past breaches outlined above.</p>
Risks associated with the DOCA	<p>Although the DOCA has been wholly effectuated and therefore terminated, and Creditors' Claims now lie against the Creditors' Trust rather than the Company, there remains a risk that Creditors may pursue claims against the Company, even if they lack legal rights to do so. There is a risk that the Company's financial position and financial performance may be detrimentally affected by such events. If that occurs, the Company's Board will take the course of action they consider to be in the best interests of Security holders. The Company's Board is not currently aware of any such claims.</p>
Auditor's opinion	<p><u>Independent Auditor's Reports</u></p> <p>In the independent auditor's opinion set out in the Company's annual financial reports for the period ended 30 June 2013 and the period ended 30 June 2014 and the auditor's review report for the half year ended 31 December 2013 (Outstanding Accounts), due to the Company's records being incomplete the independent auditor was unable to, and did not express, an opinion as to whether the lodged Outstanding Accounts were in accordance with the Corporations Act. Consequently, there is a risk that these accounts may be inaccurate and that the Company's true financial position and performance as at the relevant dates set out above may be materially more adverse than displayed in those accounts.</p> <p>The Company notes, however, that the DOCA process has ensured that all liabilities of the Company up to the date of appointment of the Administrator have now been compromised through the administration process.</p> <p><u>Disclaimers of Opinion</u></p> <p>Ernst & Young, the Company's appointed auditors, have issued a "disclaimer of opinion" on the Company's annual financial report for the period ended 30 June 2014. The "disclaimer of opinion" was due to their inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's 30 June 2014 financial report.</p> <p>The Company's annual financial report for the period ended 30 June 2014 was prepared by the Directors, who were not in office at the time the Company entered</p>

Risk	Description
	<p>voluntary administration or for the full period presented in the 30 June 2014 financial report.</p> <p>Due to the above, the Board was unable to conclude without qualification, within its directors' declaration, that the financial statements for the group for the financial year ended 30 June 2014 had been prepared in accordance with the Corporations Act and Australian Accounting Standards, to give a true and fair view of the financial position of the group as at 30 June 2014 and its performance for the year ended on that date.</p> <p>The representation letter provided to the auditors by the Directors was also qualified on the basis that they did not have oversight or control over the group's financial reporting systems for the full period presented in the 30 June 2014 financial report.</p> <p>Similar "disclaimer of opinion" statements were contained in the Company's annual financial report for the period ended 30 June 2013 and the Company's half year report for the period ended 31 December 2013.</p>
Product & Environmental Liability	<p>The Company's business activities could result in claims against the Company including product and environmental liability claims. The Company will seek to maintain adequate liability insurances, however, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or in sufficient amounts. In the event of product liability claims, insufficient insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. If there is a problem that is attributable to the Company's potential products or services, the market perception of the effectiveness of such products and services could also be harmed. The Company has no current products or services and may never provide any.</p>
Operating risks	<p>As a Company intending to aim to commercialise a business (whilst also assessing new opportunities both in related and unrelated segments), the Company's current and future operations may be affected by a range of factors, including, but not limited to:</p> <ul style="list-style-type: none"> (i) the Project has not yet been commercialised and may never be commercialised; (ii) legal and regulatory requirements and changes in those requirements; (iii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; (iv) inability to obtain necessary licences, consents or approvals; and

Risk	Description
	<p>(v) inability to adequately maintain or fund assets or to obtain goods and services from suppliers.</p> <p>The performance of the Company and its ability to successfully conduct its business activities is not guaranteed. The Company's operations may be affected by a range of factors outside of its control. For example the value of Securities may not keep in pace with inflation.</p>
Risks Associated with Future Acquisitions	<p>The Company may investigate and consider selective acquisitions in its current business area and other industries.</p> <p>There are no assurances that the Company will be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisitions or successfully integrate any acquired business into the Company's operations.</p> <p>Even in the event that future acquisition targets are identified by the Company, there are no assurances of completing these transactions and the due diligence costs and related costs, including the costs of complying with regulatory requirements, could have a material effect on the potential financial viability of the Company.</p> <p>For example, if ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules in the event a future acquisition is proposed, such requirements may be burdensome and carry significant risks, including costs and uncertainty of success.</p> <p>Further, future acquisitions may be outside the scope of the Company's current business model and accordingly the Company may face the additional business risk of integrating disparate operations.</p> <p>Any acquisition will require financing which may create additional risks to the expansion of the Company's business if the proposed allocation of the Company's limited cash resources is required to be varied.</p>
Uncertainty of future profitability	<p>The Company has incurred losses and it is not possible to evaluate the future prospects based on past performance. The Company may never receive revenues or become profitable.</p> <p>Due to the Company's lack of profit history and the immediate lack of any future cash flow from its existing assets, the Company has no current maintainable earnings and its future financial performance and financial position are uncertain.</p>
Dependence on outside parties and contractual risk	<p>The Company has and may continue to pursue a strategy that forms strategic business relationships with other organisations. There can be no assurance that the Company will be able to maintain relationships with or attract such organisations and to negotiate appropriate</p>

Risk	Description
	<p>terms and conditions with these organisations.</p> <p>For example, the Company's disposal of 50% of the Project (pursuant to the agreements summarised in Sections 7.1 and 7.2 of this Prospectus) to GSPL exposes the Company to some risks. For example, if GSPL defaults on its contractual obligations, fails to raise funds to funds the costs of the Project, experiences adverse events such as insolvency or otherwise engages in acts or omissions which are adverse to the Company's interests, the Company may suffer detrimental impacts, including on its financial position and financial performance.</p>
Unforeseen expenditure risk	Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus.
Liquidity and price risks	As the Company's Securities have been and are currently suspended from Official Quotation, there is currently no public market for the Company's Securities. The price of its Shares and listed Options sought to be reinstated to ASX quotation is subject to uncertainty and there can be no assurance that an active market for the Company's Shares or listed Options proposed to be reinstated to ASX quotation will develop or continue after the Offers.
Contractors and service providers	The Directors are unable to predict the risk of financial failure, default, insolvency or other managerial failure by any of the contractors or service providers potentially used by the Company in any of its activities and such events could adversely impact on the Company's operations.
Competition risk	The Company's current and future potential competitors include companies with substantially greater resources, in the event the Company is successful in developing any business, which may not occur. There is no assurance that competitors will not succeed in providing services and products that have higher customer appeal.
New Board	<p>The Company has recently appointed a new board of Directors who have limited experience in the industry in which the Company proposes to operate. The Board is aware of the need to have sufficient management to properly supervise its interest in the Project and the Board will continually monitor the management roles in the Company.</p> <p>It will therefore be important that the Company attracts the right personnel to ensure it can appropriately develop the Company's business moving forward. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's interest in the Project.</p>

The above list of risk factors ought not to be taken as exhaustive of the key risks faced by our Company and you should refer to the additional risk factors in

Section 10 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.

3.10 Market price of Shares and quoted Options

The Company is a disclosing entity for the purposes of the Corporations Act and its ASX quoted securities are enhanced disclosure securities. As the Company's Shares and quoted Options have been suspended from trading on ASX since 22 July 2013 there are no market sale prices of the Company's Shares or quoted Options on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC.

The last closing price of Shares on ASX was \$0.016 on 19 July 2013, prior to the consolidation of the Company's capital on a 1 for 46 basis which occurred on 11 September 2014 (**Consolidation**). The last closing price of quoted Options on ASX was \$0.003 on 19 July 2013, prior to the Consolidation. The Directors note that the trading prices above occurred prior to the Recapitalisation Proposal and Consolidation and the Directors make no forecast of any future trading in the Company's Securities or potential future trading prices.

3.11 Directors

The Company's Board comprises the following Directors.

(a) **Shane Tanner – Non-Executive Chairman**

Mr Tanner has extensive commercial and financial experience in a number of industries, including health. Presently he is the Vision Eye Institute Chairman and Chairman of the Nomination & Governance Committee.

During the past three years he has also served as the chairman of Vision Eye Institute (ASX: VEI) (Appointed December 2001), Paragon Care Limited (ASX: PGD) (Appointed December 2005), Funtastic Limited (ASX: FUN) (Appointed March 2009) and served as a director of IPB Petroleum Limited (ASX: IPB) (Appointed October 2010, Resigned May 2014).

The Board has considered Mr Tanner's independence and considers that he is an independent Director as he does not own any Securities in the Company (and his potential participation in the Lead Manager Offer as described in Section 11.3 is not deemed significant enough to prejudice his independence) and he has had no involvement in past management of the Company or as a supplier, customer or adviser of the Company, which could materially interfere with the exercise of his independent judgment.

(b) **Craig Higgins – Non-Executive Director**

Mr Higgins is the Commercial Director at Liverpool Partners Pty Ltd ACN 159 465 193, the lead manager to the General Placement (**Lead Manager**). Craig is not a shareholder or board member of the Lead Manager. He brings extensive senior operational management experience to the team at both CEO and CFO level.

Craig served as both CEO and CFO of Tempo Australia Ltd, an ASX listed facility services company, which grew from \$80 million to \$750 million in revenue and was sold to an industry player / private equity consortium

in a public to private transaction. Craig commenced his career with Price Waterhouse Coopers.

Craig provides board experience through non-executive directorships in the listed mid-market in Australia across the defence, technology, telecommunications and media sectors.

Craig has a Bachelor of Management Studies from the University of Waikato, is a member of the Institute of Chartered Accountants in both Australia and New Zealand.

Mr Higgins is not currently a director of any public company other than the Company.

The Board has considered Mr Higgins' independence and considers that he is an independent Director as he does not own any Securities in the Company (and his potential participation in the Lead Manager Offer as described in Section 11.3 is not deemed significant enough to prejudice his independence) and he has had no involvement in past management of the Company or as a supplier, customer or adviser of the Company, which could materially interfere with the exercise of his independent judgment.

(c) **Faldi Ismail – Non-Executive Director**

Mr Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies.

He is also the founder and owner of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings (IPO's).

With many years of investment banking experience and significant international experience, Mr Ismail has advised on the structuring of acquisitions and joint ventures in numerous countries.

Mr Ismail is currently a director and CEO of Kalimantan Gold Corporation Limited (TSX-V/AIM Listed), director of ASX listed Style Limited (ASX: SYP), Emergent Resources Limited (ASX: EMG) and WHL Energy Limited (ASX: WHN).

The Board has considered Mr Ismail's independence and considers that he is not an independent Director as he was initially appointed as an Executive Director of the Company and it is expected that upon completion of the Offers, Mr Ismail will hold a substantial shareholding in the Company.

(d) **Nicholas Young – Non-Executive Director**

Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance and is a Chartered Accountant. Nicholas 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.

The Board has considered Mr Young's independence and considers that he is not an independent Director as at the completion of the Offers, it is expected that Mr Young will hold a substantial shareholding in the Company.

3.12 Director interests in Securities

As set out in Section 11.3 of this Prospectus, the Directors do not currently hold any relevant interest in Securities in the Company. Mr John Ciganek (a recent director of the Company) also does not currently hold any relevant interest in Securities in the Company.

At the General Meeting, Shareholders approved the issue of Securities to two of the Directors being Faldi Ismail and Nicholas Young, and a former director John Ciganek (or their nominees) pursuant to the Promoter Placement and General Placement. Those Directors, John Ciganek (being a former director of the Company) and their nominees are therefore entitled to participate in the Promoter and General Placement and their maximum participation in the Offers is set out below (although their participation may be lower).

However, no participant in the Offers is proposed to hold voting power in the Company in excess of 20% as a result of their participation in the Offers.

Minimum Subscription under General Placement and full subscription under the Promoter Placement

Director	Promoter Shares	Promoter Options	General Placement Shares	Shares (fully diluted)	Security holding (diluted) (%) ¹
Craig Higgins ²	Nil	Nil	Nil	Nil	Nil%
Faldi Ismail	10,000,000	10,000,000	10,000,000	30,000,000	9.77%
Shane Tanner ²	Nil	Nil	Nil	Nil	Nil%
Nicholas Young	10,000,000	10,000,000	10,000,000	30,000,000	9.77%
Total Directors	20,000,000	20,000,000	20,000,000	60,000,000	19.54%
John Ciganek	10,000,000	10,000,000	10,000,000	30,000,000	9.77%
Other investors under the General Placement and Promoter Placement	20,000,000	20,000,000	165,000,000	205,000,000	66.77%
Total	50,000,000	50,000,000	195,000,000	295,000,000	96.08%³

Full Subscription under General Placement and full subscription under the Promoter Placement

Director	Promoter Shares	Promoter Options	General Placement Shares	Shares (fully diluted)	Security holding (diluted) (%) ¹
Craig Higgins ²	Nil	Nil	Nil	Nil	Nil%
Faldi Ismail	10,000,000	10,000,000	10,000,000	30,000,000	8.29%
Shane Tanner ²	Nil	Nil	Nil	Nil	Nil%
Nicholas Young	10,000,000	10,000,000	10,000,000	30,000,000	8.29%
Total Directors	20,000,000	20,000,000	20,000,000	60,000,000	16.58%
John Ciganek	10,000,000	10,000,000	10,000,000	30,000,000	8.29%
Other investors under the General Placement and Promoter Placement	20,000,000	20,000,000	220,000,000	260,000,000	71.82%
Total	50,000,000	50,000,000	250,000,000	350,000,000	96.68% ³

Notes:

1. The percentages assume the exercise of the Promoter Options but no other Options. Figures are subject to rounding. If some or all of the Lead Manager Options or existing Options on issue in the Company are exercised, the percentage interests in the Company's Shares held by other investors, including the public pursuant to the General Placement, would be reduced by the effect of further Shares being issued upon exercise of such Options. The Company makes no forecast as to whether and when Options may be exercised.
2. As described in Section 11.3, it is proposed that each of Shane Tanner and Craig Higgins (or their nominees) will be issued 2,500,000 Lead Manager Options, subject to the receipt of prior Shareholders' approval in general meeting.
3. The remainder of the Company's issued Shares up to 100% of the issued capital are those already on issue prior to the Offers, which comprise 12,013,675 Shares.

3.13 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The following related party transactions were approved by the Board (excluding any Director with a material personal interest) on the basis of the Board's decision that they each trigger one or more of the exceptions to the requirement in Chapter 2E of the Corporations Act to obtain the prior approval of Shareholders for such transactions.

Summaries of the Recapitalisation Proposal and the DOCA (including as relevant to Otsana Capital, a related party of the Company) are set out in Sections 3.2 and 3.3.

Commercial lease agreement with related party

The Company has entered into a lease with Adamantium Holdings Pty Ltd (ATF Wolf Property Unit Trust) (**Adamantium**). Adamantium is a related party of the Company as it is controlled by a Director, Faldi Ismail, who is a director and the sole shareholder of that Company. The lease entitles the Company to use Adamantium's premises as a registered office and principal place of business, for monthly rent of \$2,000 (plus GST) plus a monthly registered office fee of \$500 (plus GST). The rental amounts are to be adjusted (up or down) annually in line with the consumer price index or as mutually agreed between the parties to the lease.

The term of the lease is for a period of 12 months and then monthly thereafter.

Working capital loan with related party

On 6 October 2014, the Company entered into an unsecured loan agreement by which it has borrowed \$20,000 from Adamantium for the purpose of paying part of the Company's working capital costs during the period in which the Company is seeking reinstatement of its listed Securities to trading on ASX's market. The Adamantium loan has been fully drawn and was not compromised by the DOCA and therefore survives termination of the DOCA.

Interest is payable on the Adamantium loan at a rate of 10.00% per annum, calculated pro rata.

The Adamantium loan must be repaid in full, including interest accrued, on the earlier to occur of:

- (a) Re-quotation of the Company's Shares on the ASX;
- (b) 3 months from the date the Adamantium loan was advanced to the Company (unless extended by mutual agreement), which period ends on 6 January 2015; and
- (c) the date upon which the Lender issues a notice of default to the Company.

Customary warranties and events of default also apply to the Adamantium Loan.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, our Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. Our Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

Non-Executive Directors' Appointment Letters

The Company has entered into a letter agreement with each of its Directors, Mr Shane Tanner, Mr Craig Higgins, Mr Faldi Ismail and Mr Nicholas Young, confirming the terms of their appointment and their roles and responsibilities. Pursuant to the terms of the letter agreements, the Company has agreed to pay to the Directors the fees outlined in Section 11.3 of this Prospectus. Mr Faldi Ismail and Mr Nicholas Young will each be paid an additional fee of \$3,000 per month (exclusive of GST) by the Company for service as the Company's nominees on the board of directors of ESPP, which amount will only be payable whilst the Company maintains an ownership interest in ESPP.

The appointment of Mr Shane Tanner, Mr Craig Higgins, Mr Faldi Ismail or Mr Nicholas Young will cease if the relevant Non-Executive Director:

- (a) is not re-elected as a Director by the Shareholders of the Company;
- (b) resigns as a Director by written notice to the Company;
- (c) becomes disqualified or prohibited by law from being a company director or from being involved in the management of a company; or
- (d) as otherwise required in accordance with the Constitution or the Corporations Act.

Remuneration agreed with former director

Mr John Ciganek was appointed as a director of the Company on 10 September 2014. He resigned as a director of the Company on 25 November 2014 and consequently is still a related party of the Company.

The Company has agreed to pay \$3,000 (plus GST) per month to Mr John Ciganek from the date of his appointment to the Company.

Syndicate Loans

A member of the Syndicate, Romfal Sifat Pty Ltd <The Fizmail Family Account>, which is a related party of the Company due to being controlled by Faldi Ismail, a Director, advanced a \$125,000 loan to the Syndicate. Refer to Section 7.4 for a summary of that loan.

Otsana Capital Letter Agreement

On 19 November 2014, the Company entered into a letter agreement with Otsana Capital (which is a related party of the Company as it is controlled by a Director of the Company, Faldi Ismail, who also holds all the shares in Otsana Capital) pursuant to which the Company agreed to pay Otsana Capital a management fee of \$200,000 (plus GST) in connection with the Recapitalisation

Proposal. The management fee is payable within two days of successful re-quotations of the Company's quoted Securities on ASX.

Otsana Capital Reimbursement of Expenses Letter Agreement

On 20 November 2014 the Company entered into a letter agreement with Otsana Capital pursuant to which the Company agreed to reimburse Otsana Capital in the amount of \$7,757 (inclusive of GST) which Otsana Capital paid:

- (a) for travel and accommodation expenses incurred by Otsana Capital for the purpose of providing marketing services to Boulder during the period since the DOCA was signed; and
- (b) to pay costs on behalf of the Company in relation to the General Meeting.

3.14 Dividend Policy

The Board anticipates that significant expenditure will be incurred as described in Section 5.1 (subject to the possible changes to that expenditure as referred to in that Section). These activities, together with the possible acquisition of interests in other projects, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.15 Corporate Governance

To the extent the Board considers applicable or appropriate, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.1 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 9.2 of this Prospectus. In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.bouldersteel.com.au).

4. DETAILS OF THE OFFERS

4.1 The Offers

The Company is making three separate offers pursuant to this Prospectus:

- the Promoter Placement;
- the General Placement; and
- the Lead Manager Offer,

(together, the **Offers**).

All of the Shares offered under this Prospectus (being the General Placement Shares and the Promoter Shares) will rank equally with the existing Shares on issue at the date of this Prospectus. Please refer to Section 8.1 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The terms and conditions of the Promoter Options to be issued under this Prospectus are set out in Section 8.4 of this Prospectus.

The terms and conditions of the Lead Manager Options to be issued under this Prospectus are set out in Section 8.5 of this Prospectus.

All Shares issued on conversion of the Promoter Options or Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 5 of this Prospectus.

A summary of each of the Offers is set out in the following table:

Promoter Placement Details	
Securities offered	(a) 50,000,000 Shares (being the Promoter Shares) at an issue price of \$0.00001 per Share to raise \$500; and (b) 50,000,000 Promoter Options at an issue price of \$0.00001 per Option to raise \$500.
Eligible participants	Parties nominated by Otsana Capital ONLY, being the Syndicate.
How to apply	If you are nominated to subscribe for Securities, please complete a Promoter Placement Application Form . Payment for Securities must be made in full at the issue price of \$0.00001 per Share and \$0.00001 per Promoter Option.
Opening Date	26 November 2014
Closing Date*	5:00 pm (AWST) on 1 December 2014
General Placement Details	
Securities offered	250,000,000 Shares (being the General Placement Shares) at an issue price of \$0.01 per Share (in \$500 minimum parcels, being 50,000 Shares each) to raise up to \$2,500,000. The Company is offering all existing Shareholders (other than

	related parties) a priority allocation of a total of 25,000,000 of the General Placement Shares. Further details of the Priority Offer are set out in Section 4.2 of this Prospectus.
Eligible participants	General investors, including the Syndicate. Only existing Shareholders (other than related parties) are eligible to participate in the Priority Offer and the allocation of General Placement will be at the discretion of the Company and the Lead Manager.
How to apply	If you wish to subscribe for Shares pursuant to the General Placement (including pursuant to the Priority Offer, if you are eligible), please complete a <u>General Placement Application Form</u> . Payment for Shares must be made in full at the issue price of \$0.01 per Share.
Opening Date	26 November 2014
Closing Date*	5:00 pm (AWST) on 1 December 2014
Lead Manager Offer Details	
Securities offered	Up to 50,000,000 Lead Manager Options for nil cash consideration. The consideration to be provided for the Lead Manager Options is services to be provided by the Lead Manager to the Company as summarised in Section 7.6. To the extent the Company has insufficient placement capacity pursuant to ASX Listing Rule 7.1 to issue all 50,000,000 Lead Manager Options, the issue of the surplus Lead Manager Options beyond that placement capacity will only occur if Shareholders approve such issue at a general meeting proposed to be convened after reinstatement of the Company's listed Securities to trading on the ASX (which may or may not occur). Section 5.4 provides further information in relation to the potential numbers of Lead Manager Options to be issued pursuant to the Lead Manager Offer.
Eligible participants	The Lead Manager and/or its nominees and, subject to prior Shareholders' approval, may include two of the Directors, being Messrs Craig Higgins and Shane Tanner, as described in Section 11.3.
How to apply	The Lead Manager and/or its nominees may subscribe for Lead Manager Options pursuant to the Lead Manager Offer by completing a <u>Lead Manager Application Form</u> . The Lead Manager Offer is not open to the public.
Opening Date	26 November 2014
Closing Date*	5:00 pm (AWST) on 1 December 2014

Information applicable to all Offers	
Return of Application Forms	<p>Completed Application Forms and accompanying payment must be mailed or delivered to the Company, care of:</p> <p style="text-align: center;">108 Outram Street, West Perth, WA, 6005 Australia</p> <p style="text-align: center;">or</p> <p style="text-align: center;">PO Box 1974 West Perth, WA, 6872 Australia</p>
Payment by cheque/ bank draft	<p>All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Boulder Steel Ltd - Share Offer Account" and crossed "Not Negotiable".</p> <p>Your completed Application Form and cheque must be received by the Company no later than 5:00pm (AWST) on the Closing Date.</p>

*The Board reserves the right to close the Offers early or extend the Closing Date (as the case may be), should it consider it necessary to do so.

4.2 Priority Offer – Existing Shareholders

The Company is offering all existing Australian resident Shareholders as at the date of this Prospectus (excluding related parties of the Company) a priority allocation of Shares in the General Placement. Existing Australian resident Shareholders may apply for a minimum of 50,000 Shares representing a minimum investment of \$500.

The priority allocation of General Placement Shares is limited to a total of up to and not exceeding 25,000,000 Shares. In the event that existing Australian resident Shareholders do not subscribe for those 25,000,000 General Placement Shares under the Priority Offer, by the Closing Date, any shortfall will be made available to nominees of the Syndicate who are not related parties of the Company or associates of those related parties.

Whilst the Company will endeavour to offer all eligible Australian resident Shareholders a priority, the allocation of General Placement Shares to eligible Shareholders (including any scale-back, in the event of oversubscriptions) will be solely at the Board's discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

4.3 Minimum and maximum subscriptions

The minimum subscription in respect of the General Placement and Promoter Placement is \$1,951,000, being a subscription for 195,000,000 General Placement Shares at \$0.01 per General Placement Share and full subscription under the Promoter Placement. The maximum subscription under the General Placement and Promoter Placement is \$2,501,000, being a subscription for 250,000,000 General Placement Shares at \$0.01 per General Placement Share and full subscription under the Promoter Placement.

There is no minimum subscription pursuant to the Lead Manager Offer and the maximum subscription under that Offer is 50,000,000 Lead Manager Options for nil cash consideration.

No Securities will be issued under any of the Offers until the minimum subscription has been received under the General Placement and Promoter Placement. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their application and be repaid their application monies.

4.4 Oversubscriptions

No oversubscriptions for the Offers will be accepted by the Company.

4.5 Underwriting

The Offers are not underwritten.

4.6 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The Promoter Options offered under this Prospectus will not be quoted.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), none of the Securities will be issued pursuant to the Offers and the Company will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.7 Issue

Subject to satisfaction of the minimum subscription under the Offers, as described in Section 4.3, Securities offered by this Prospectus will be issued in accordance with the timetable set out at the commencement of this Prospectus (or such other date determined by the Directors). The Company reserves the right to progressively issue Securities.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors and the Lead Manager will determine the allottees of the Securities under the Offers.

The Directors reserve the right to issue Securities in minimum parcels of \$500, or to decline any application or to grant any Applicant fewer Securities than the number applied for. Where no issue is made or the number of Securities issued is less than the number applied for, the surplus application moneys will be returned

by cheque to the Applicant as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

4.8 Restrictions on the distribution of the Prospectus

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or to issue this Prospectus. The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Securities on the basis of this Prospectus.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

4.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors in Shares who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.10 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offers.

4.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application,

service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

4.12 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, Andrew Rowell, on +61 8 9486 7244.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers

The purpose of the Promoter Placement and General Placement is to raise up to \$2,501,000 (before expenses of the Offers). Funds raised under this Prospectus will be used, among other purposes, to settle loans to lenders that permitted the DOCA to be effectuated (as summarised in Section 7.4) and the Company to be recapitalised and able to once again trade as a going concern on the ASX.

The purpose of the Promoter Placement and General Placement is also to carry out the Recapitalisation Proposal as approved by the Company's Shareholders at the General Meeting, which includes the proposed issues of securities to the Syndicate as described in Section 3.12.

The purpose of the Lead Manager Offer is to provide consideration for services proposed to be provided to the Company by the Lead Manager as described in Section 7.6.

The funds raised from the Offers are planned to be used in accordance with the table set out below:

Proceeds of the Offers	Minimum Subscription \$1,951,000 ¹		Full Subscription \$2,501,000	
	Year 1	Year 2	Year 1	Year 2
Recapitalisation and Capital Raising Costs				
Cost of recapitalisation process ²	\$48,333	\$Nil	\$48,333	\$Nil
Repayment of Syndicate Loans ³	\$275,000	\$Nil	\$275,000	\$Nil
Repayment of Adamantium loan ⁴	\$20,333	\$Nil	\$20,333	\$Nil
Payment to Otsana Capital (corporate fee) ⁵	\$200,000	\$Nil	\$200,000	\$Nil
Expenses of the Offers ⁶	\$231,138	\$Nil	\$276,616	\$Nil
Accrued Expenses (directors fees, company secretary and office rent) ⁷	\$34,852	\$Nil	\$34,852	\$Nil
Lead Manager Expenses ⁸	\$50,000	\$Nil	\$50,000	\$Nil
TOTAL	\$859,656	\$Nil	\$905,134	\$Nil
Post Re-Quotation Expenditure				
Final DOCA payment ⁹	\$50,000	\$Nil	\$50,000	\$Nil
Review and development of existing business ¹⁰	\$150,000	\$400,000	\$250,000	\$550,000
Review of new projects ¹¹	\$100,000	\$250,000	\$200,000	\$300,000
Working capital	\$100,000	\$41,344	\$100,000	\$145,866
TOTAL	\$400,000	\$691,344	\$600,000	\$995,866
GRAND TOTAL¹²	\$1,259,656	\$691,344	\$1,505,134	\$995,866

Notes:

1. Based on a minimum subscription, being the full subscription under the Promoter Placement and a minimum subscription under the General Placement of \$1,950,000.
2. This excludes expenses of the Offers which are listed in Section 11.6 of this Prospectus.
3. The Syndicate has loaned the Company \$250,000, which funds were applied towards satisfying the Company's obligations under the DOCA. This amount includes interest of 10% fixed (\$25,000). Please refer to Section 7.4 of this Prospectus for further details of the Syndicate loans.
4. Adamantium, an entity controlled by Faldi Ismail has loaned the company \$20,000 for working capital purposes (as summarised in Section 3.13). Interest of 10% per annum. is payable on the loan. Interest is estimated to be \$333 (2 months of interest at 10% pa).
5. The Company has agreed to pay a fixed fee of \$200,000 (plus GST) to Otsana Capital as a management fee in relation to the Recapitalisation Proposal. Please refer to Section 3.13 of this Prospectus for further details of this arrangement between the Company and Otsana Capital.
6. The Company has agreed to pay a commission of 8% (exclusive of goods and services tax) of amounts subscribed through the Lead Manager, and the Lead Manager may pay part of the commission to other parties such as Otsana Capital and other retail brokers, in respect of certain valid applications lodged and accepted by the Company as summarised in Section 7.5. Refer to Section 11.6 of this Prospectus for further details regarding expenses of the Offers, including those commissions.
7. This amount includes outstanding Director's fees from 10 September 2014 to 31 October 2014 (as summarised in Section 3.13), accrued company secretarial fees of \$10,000 (exclusive of GST) (as summarised in Section 7.7), one month's office rent (as summarised in Section 3.13) and outstanding expense reimbursement to Otsana Capital (as also summarised in Section 3.13).
8. The Company anticipates reimbursing the Lead Manager for out of pocket expenses in the amount of up to \$50,000 (exclusive of GST pursuant to the Liverpool Mandate summarised in Section 7.5), which amount predominately relates to legal costs incurred by the Lead Manager.
9. Pursuant to the DOCA, the Company is required to pay a further \$100,000 to the trustee of the Creditors' Trust within five days of the Company obtaining ASX reinstatement to official quotation. The Company has an agreement with GSPL whereby GSPL will contribute 50% of this amount, being \$50,000.
10. It is proposed that the budgeted expenditure for "Review and development of existing business" will be aimed, subject to the potential changes noted below and budgeted expenditure on new projects, towards the review and progression of the EIS. If successful, this may allow ESPP to potentially seek project partners and financiers for the construction of the Project, which will involve seeking the tenders for the construction contracts. However, the Project may never be approved, funded or constructed and if it is, there is a likelihood that the Company will not hold an interest in the Project, given the Company will have insufficient money to fund the Project, after the Offers are completed.

In addition to their fees for acting as Directors (described in Section 11.3), the Company has agreed to pay each of its representatives on the board of ESPP (initially being Faldi Ismail and Nicholas Young, two of the Directors) a monthly fee of \$3,000 each (inclusive of any applicable superannuation) to manage the Company's interests in ESPP. The year 1 budget expenses include these costs as well as any travel and administrative expenses incurred by the Company in managing its interest in ESPP.
11. The "Review of new projects" is proposed to include expenditure in sourcing and reviewing both complementary acquisitions which may potentially add to the

existing business model as well as acquisitions or investments in industries which are different to the existing business operated by the Company or otherwise these funds will be applied towards general working capital.

12. The total includes both the sum of the Recapitalisation and Capital Raising Costs and the Post Re-Quotation Expenditure listed in the table above.

On completion of the Offers (including either the minimum or maximum raising pursuant to the General Placement), the Board believes the Company will have sufficient working capital to achieve the objectives described in Section 3.4.

The above table is a statement of current intentions as of the date of this Prospectus. As with any business, the exact application of these funds is likely to develop and evolve over time. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Offers are fully subscribed, will be to:

- (a) increase the cash reserves by \$1,951,000 assuming the minimum subscription is raised under the Offers or \$2,501,000 assuming the maximum subscription is raised (before estimated expenses of the Offers and Recapitalisation) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 12,013,675 to up to 312,013,675 Shares following completion of the Offers (assuming no Options are exercised) ; and
- (c) increase the number of Options on issue from 6,528,550 to up to 106,528,550 Options following completion of the Offers (assuming none of the existing Options are exercised beforehand).

5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2014 and the unaudited pro-forma balance sheet as at 31 October 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company.

The pro-forma balance sheet incorporates the effect of the Offers, the Consolidation and the effectuation of the DOCA.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	30-Jun-14 Audited ¹	31-Oct-2014 Proforma Unaudited Minimum Subscription	31-Oct-2014 Proforma Unaudited Maximum Subscription
CURRENT ASSETS			
Cash ²	7,647	1,091,344	1,595,866
Trade Receivables ³	-	50,000	50,000
TOTAL CURRENT ASSETS	7,647	1,141,344	1,645,866
NON-CURRENT ASSETS			
Property plant and equipment	-	-	-
Investments accounted for using the equity method	-	-	-
Intangible assets ⁴	600,000	300,000	300,000
TOTAL NON-CURRENT ASSETS	600,000	300,000	300,000
TOTAL ASSETS	607,647	1,441,344	1,945,866
CURRENT LIABILITIES			
Trade and other payables ⁵	368,278	-	-
Short term provisions ⁵	458,486	-	-
Other liabilities ⁶	100,000	100,000	100,000
TOTAL CURRENT LIABILITIES	926,764	100,000	100,000
TOTAL LIABILITIES	926,764	100,000	100,000
NET ASSETS (LIABILITIES)	(319,117)	1,341,344	1,845,866
EQUITY			
Share capital	54,036,006	55,987,006	56,537,006
Reserves ⁷	13,575,267	13,855,267	13,855,267
Accumulated Losses	(67,930,390)	(68,500,929)	(68,546,407)
TOTAL EQUITY	(319,117)	1,341,344	1,845,866

Notes:

1. The audited figures for the period ended 30 June 2014 covers a period during which the current Board was not in control of the Company's management and affairs. The Directors' qualify this balance sheet on the basis that, to prepare it, the

Directors had to reconstruct the Company's financial records using limited data that could be extracted from the Company's accounting system and the record of receipts and payments made available by the Administrator and Deed Administrator. As disclosed elsewhere in this Prospectus, the Company was subject to a DOCA, which had the effect of extinguishing the Creditors' Claims and facilitating the recapitalisation of the Company. The DOCA has now been effectuated.

2. The movement in the cash assets is reconciled as follows:

Cash assets	Minimum Subscription \$	Maximum Subscription \$
Opening balance	7,647	7,647
Transferred to the creditors trust	(7,647)	(7,647)
Promoter Placement Shares	500	500
Promoter Placement Options	500	500
General Placement Shares	1,950,000	2,500,000
Repayment of Syndicate loan and interest that enabled the Company to satisfy its obligations under the DOCA	(275,000)	(275,000)
Otsana Corporate Advisory Fee	(200,000)	(200,000)
Cost of Recapitalisation Process (legal, accounting, audit, share registry, printing and postage)	(48,333)	(48,333)
Expenses of the Offer	(231,138)	(276,616)
Repayment of Adamantium working capital loan (including interest of \$333)	(20,333)	(20,333)
Reimbursement of Lead Manager's Expenses	(50,000)	(50,000)
Accrued Directors and Company Secretary Fees, Office rent and Otsana Capital expense reimbursement	(34,852)	(34,852)
Closing balance	1,091,344	1,595,866

3. This amount is receivable from GSPL as 50% of the final payment of \$100,000 due to the Creditors Trust, as described in Section 3.3(c).
4. On 4 November 2014, the Company announced that it had entered into an Asset Sale Agreement with ESPP (summarised in Section 7.1, whereby ESPP, a company owned equally by the Company and GSPL, would acquire the business and assets of the Company. The change in Intangible Assets reflects the sale to ESPP.
5. Following the effectuation of the DOCA, Creditors' Claims against the Company were transferred to the Creditors' Trust. The reduction in the Short Term Provisions reflects the impact of this action.
6. The \$100,000 amount at 30 June 2014 reflects the deposit made under the DOCA by the Syndicate. This deposit has been transferred to the Creditors Trust and the remaining \$100,000 liability that exists at re-quotation of the Company's shares represents the Company's obligation to pay \$100,000 to the Creditors Trust to

complete the Creditor Payment.

- Using the Black-Scholes option valuation methodology, the fair value of the Lead Manager Options has been calculated. The Following inputs were used for these options issued:

Lead Manager Options	
Underlying share price	\$0.01
Exercise price	\$0.01
Issue date	31 October 2014
Expiry date	31 October 2017
Life of the options	3 years
Volatility	86.26%
Risk free rate	2.59%

The valuation of the Lead Manager Options has been calculated at \$280,000 using the above Black-Scholes valuation methodology.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Offers are fully subscribed, is set out below.

Shares

	Number
Shares currently on issue	12,013,675
Shares offered pursuant to the Promoter Placement	50,000,000
Shares offered pursuant to the General Placement	250,000,000
Total Shares on issue after completion of the Offers¹	312,013,675

Note:

- If the minimum subscription of 195,000,000 General Placement Shares is issued under the General Placement instead of the maximum subscription of 250,000,000 General Placement Shares, the total Shares on issue after completion of the Offers will be 257,013,675.

Options

	Number
Options currently on issue ^{1,2,3}	6,528,550
Options offered pursuant to Promoter Placement ⁴	50,000,000
Options offered pursuant to General Placement	Nil
Options offered pursuant to the Lead Manager Offer ⁵	50,000,000
Total Options on issue after completion of the Offers	106,528,550

Notes:

1. Comprising the following:
 - (a) 6,192,680 quoted Options (**Listed Options**) exercisable at \$4.60 each on or before 30 June 2015; and
 - (b) 335,870 unquoted Options (**Unquoted Options**) exercisable at \$9.20 each on or before 31 October 2015.
2. Refer to Section 8.2 of this Prospectus for terms of the Listed Options.
3. Refer to Section 8.3 of this Prospectus for terms of the Unquoted Options.
4. Refer to Section 8.4 of this Prospectus for terms of the Promoter Options.
5. Pursuant to the terms of the Management Options Terms Sheet, summarised at Section 7.6, the Company has agreed, to issue up to 50,000,000 Lead Manager Options to the Lead Manager or its nominees. The potential participation of two Directors, being Messrs Higgins and Tanner, is described in Section 11.3. Assuming the maximum subscription is issued pursuant to the General Placement, no Options are exercised and the full subscription is issued under the Promoter Placement up to approximately 46,802,051 of those Lead Manager Options are proposed to be issued shortly after the issues pursuant to the General Placement and Promoter Placement, by utilising the Company's placement capacity pursuant to ASX Listing Rule 7.1. The full 50,000,000 Lead Manager Options could be issued pursuant to the placement capacity if sufficient other Options are converted into Shares prior to the issue of the Lead Manager Options.

If the minimum subscription is issued pursuant to the General Placement, no Options are exercised and the full subscription is issued under the Promoter Placement up to approximately 38,552,051 of those Lead Manager Options are proposed to be issued shortly after the issues pursuant to the General Placement and Promoter Placement, by utilising the Company's placement capacity pursuant to ASX Listing Rule 7.1. In any event, the issue of any Lead Manager Options not covered by the placement capacity is conditional upon the receipt of prior Shareholder approval, which is proposed to be sought following reinstatement of the Company's quoted Securities to trading on the ASX.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 18,542,225 Shares and on completion of the Offers (assuming all Offers are fully subscribed) would be 418,542,225 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
JP Morgan Nominees Australia Limited	8,922,906	74.27%

On completion of the Offers, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares ²	% MINIMUM SUBSCRIPTION	% FULL SUBSCRIPTION
Faldi Ismail or his nominees ¹	20,000,000	7.78%	6.41%
Nicholas Young or his nominees ¹	20,000,000	7.78%	6.41%
John Ciganek or his nominees ¹	20,000,000	7.78%	6.41%

Notes:

1. The Shares described in this table are those described in Section 3.12. The substantial holders may alternatively choose to subscribe for a lesser number of Shares than those described in the table and may also subscribe for Proponent Options as further described in Section 3.12.

5.6 Commission payable

The Company has agreed to pay a commission of 8% (exclusive of goods and services tax) of amounts subscribed through the Lead Manager in respect of any valid applications lodged and accepted by the Company.

Refer to Sections 7.5 and 11.6 of this Prospectus for details of commissions payable to the Lead Manager, part of which may be passed on to parties who assist with the General Placement, which may include Otsana Capital.

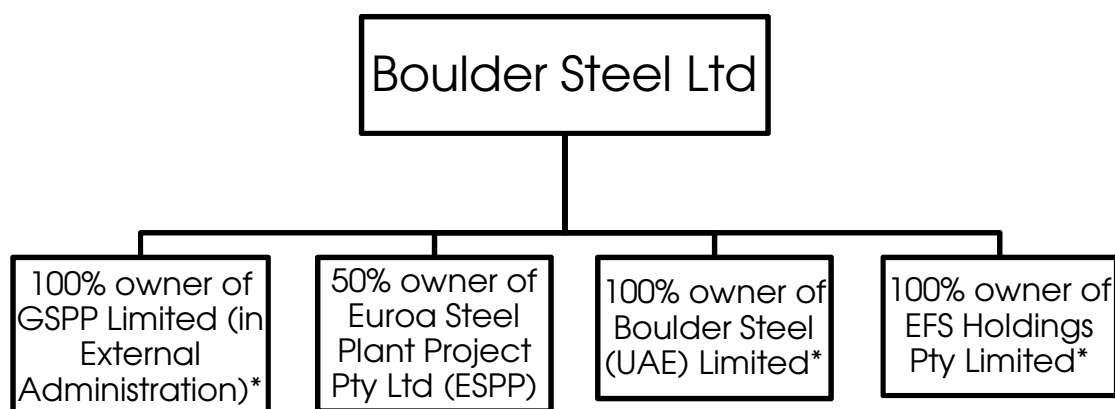
6. COMPANY OVERVIEW

6.1 Background

A general background on the Company and the voluntary administration is set out in Sections 3.1 and 3.2 of this Prospectus.

6.2 Group Structure

The structure of the Company's corporate group as at the date of this Prospectus is set out below. The Directors do not consider Boulder Steel (UAE) Limited, EFS Holdings Pty Limited or GSPP Limited to be material to the Company as those subsidiaries have no active or proposed businesses.



* These companies are either proposed to be deregistered or liquidated.

6.3 Business Model

The Company holds a 50% interest in an incorporated joint venture, ESPP. ESPP holds a conceptual study for the construction and development of the Project.

ESPP aims to progress the EIS (as detailed further in Section 6.4(a)), secure funding for development and construction of the Project, enter into raw material supply contracts and sale and off-take agreements, although the Company makes no forecast as to whether any of those events will occur and there are numerous impediments to those goals being achieved. Please refer to Sections 3.9 and 10 for a non-exhaustive list of risk factors concerning development of the Project.

The Project has a number of dependencies, some of which include demand for steel, raw material prices, construction and labour costs, government policy and support for the project, environmental approval, compliance with further legal requirements and regulation, infrastructure access and cost, availability of funding, availability of key management and personnel and the uncertainty of whether sales and off-take agreements can be secured.

The above dependencies also represent barriers to entry for ESPP and the Project.

Under the Shareholders Deed comprising the terms of the incorporated joint venture, ESPP is to be funded for at least the first 6 months by GSPL. Section 7.2 contains a summary of the Shareholders Deed.

It is intended that Company's representatives on the board of ESPP (initially being Faldi Ismail and Nicholas Young) will each be paid a fee of \$3,000 (inclusive of superannuation) in relation to services rendered in managing the

Company's interest in ESPP. This fee is to be paid by the Company and is likely to include any travel and administrative costs incurred with managing the Company's interest in ESPP. Further details of the fees to be paid to Mr Ismail and Mr Young are included in section 3.13 of this Prospectus.

6.4 Proposed business plan and strategy

(a) Environmental Impact Study

The Environmental Impact Study (**EIS**) is one of the remaining hurdles in order for the Project to proceed. On 12 January 2013, the EIS was made public and underwent a 6 week public consultation period.

The EIS addresses infrastructure, land and nature conservation, air quality and greenhouse gases, noise and vibration, waste, transportation, cultural heritage, social and economic benefits, hazard and risk along with a proposed environmental management plan and systems.

The public consultation period has taken place and as a result the Company has a number of queries and questions to address prior to the EIS being finalised. It is open for governmental authorities to either approve the project with or without conditions, or reject it. Subject to this decision and depending on whether key dependencies can be satisfied, such as obtaining of suitable finance (which may never occur), ESPP may make a final investment decision soon afterwards.

(b) Potential Project Raw Material Supply and Off-take

During 2012 and 2013, the Company made various ASX announcements that it had entered into non-binding letters of intent for the supply of various commodity inputs, including iron ore, coking coal and lime. The Company also announced non-binding letters of intent with potential off-take partners for the sale of steel products.

As at the date of this Prospectus, no binding agreements have been entered into with any of these parties and the Company makes no representation as to whether any binding agreement will be entered into in the future for such purposes. ESPP may investigate these and other new opportunities, as required. There is no guarantee that these investigations will lead to a formal agreement.

(c) Proposed Project

ESPP is investigating the feasibility for construction and operation of the Project, being a steel plant designed to produce semi-finished steel slabs and billets and other products such as blooms and round billets for seamless tube, and potentially downstream products such as hot rolled coil.

However, the Project is in its early planning stage and there are many incomplete hurdles which will potentially cause the project to not be completed or commercialised.

The Project, if constructed is proposed to be 5km long and 1.25km wide. The total land area required to be occupied by the Project is 7.3 square km (730 hectares). Neither the Company nor ESPP has any current agreement in place or sufficient funding to acquire interests in land

necessary to develop the Project. Such interests may never be acquired.

Two blast furnaces of 3,200 cubic meters are proposed to be included in the Project though there is a likelihood that the Project may not progress to that stage or if it does that the Company will not hold an interest in it by then.

The Project is still a long way from becoming a reality and there is a strong likelihood that it will never eventuate or become commercialised.

Below is an illustration of a blast furnace.

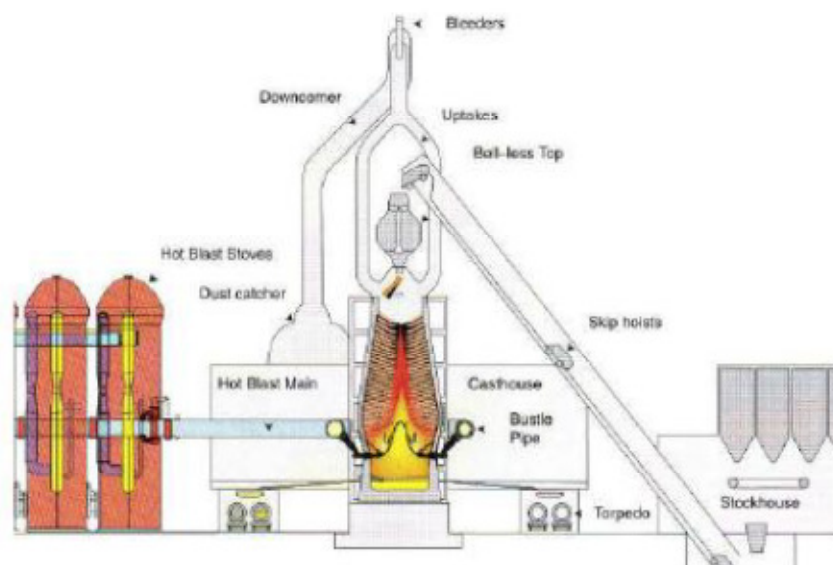


Figure 1: Illustration of a Blast Furnace

(d) Other opportunities

In addition to the above, the new Board intends to actively seek out and review complementary and non-complementary assets, investments and businesses.

6.5 Directors

Mr Faldi Ismail, Mr Nicholas Young and Mr John Ciganek (the last of whom resigned from the Board prior to the date of this Prospectus) were appointed as Directors as a result of the Recapitalisation Proposal. Mr Craig Higgins and Mr Shane Tanner have also been appointed to the Board. Mr Higgins is an employee of the Lead Manager. Summaries of the background and experience of the Directors are set out in section 3.11 of this Prospectus.

7. MATERIAL CONTRACTS

7.1 Asset Sale Agreement

Following the effectuation of the DOCA, the Company entered into an agreement with ESPP pursuant to which the Company has agreed to sell and ESPP has agreed to purchase the business and assets of the Company (**Asset Sale Agreement**).

Pursuant to the Asset Sale Agreement, the Company has sold and ESPP has acquired all of the business and assets of the Company.

The consideration paid by ESPP for the acquisition of the business and assets of the Company was \$1.00.

The Asset Sale Agreement is subject to customary warranties and other provisions typical of such an agreement.

Separately of the Asset Sale Agreement, Otsana Capital and Paul Sundstrom agreed that half of the Creditor Payment would be paid by Mr Sundstrom to the Deed Administrator (\$50,000 of which has now been agreed to be paid using funding from GSPL, as described in Section 3.3).

The effective consideration for those payments by Mr Sundstrom and GSPL is a 50% interest in the Company's former business (held via GSPL's 50% ownership of ESPP), chiefly comprising the conceptual proposal for the Project.

The directors of GSPL are Mr Paul Sundstrom, Mr Ross Johnson and Mr Graeme Bartlett and the shareholder of GSPL is Mr Paul Sundstrom.

7.2 Shareholders Deed

Following effectuation of the DOCA, the Company and GSPL entered into a shareholders deed dated 4 November 2014 formalising their incorporated joint venture interest in Euroa Steel Plant Project Pty Ltd (**ESPP**) to set out their aims and objects in relation to ESPP and how ESPP will manage its affairs and carry on its business (**Shareholders Deed**). GSPL is not a related party or subsidiary of the Company nor a substantial holder of Shares in the Company nor an associate of such persons.

Each of GSPL's and the Company's initial interest in ESPP is 50%, and they are each entitled to appoint two directors to the board of directors of ESPP (**ESPP Board**). The initial members of the ESPP Board will be appointed by agreement. A representative of GSPL will be appointed to manage the business and operations of ESPP. The Company has appointed Faldi Ismail and Nicholas Young as its initial representatives on the ESPP Board and GSPL has appointed Paul Sundstrom and Geoffrey Johnson as its representatives on the ESPP Board. GSPL is entitled to nominate a manager (**Manager**) to manage the business and operations of ESPP and that Manager is proposed to be paid fees by ESPP which are yet to be agreed, for those services.

Please refer to Sections 6.3 and 6.4 for details of the proposed business of ESPP following settlement of the Shareholders Deed.

Under the Shareholders Deed, if the ESPP Board considers that ESPP requires further funds, the funding may be obtained by way of equity, loans, a cash call or any of them, unless the shareholders of ESPP (**ESPP Shareholders**) agree otherwise.

GSPL has the right to appoint ESPP's chairperson, who has a casting vote at ESPP board meetings.

For at least 6 months following the execution date of the Shareholders Deed (unless the ESPP Board otherwise determines) and thereafter for so long as GSPL nominates to sole finance ESPP's operations (**Sole Financing Period**), all funding of ESPP must be provided by way of debt finance from GSPL (and not equity contributions from the ESPP Shareholders). After at least 6 months following the execution date of the Shareholders Deed (and unless the ESPP Board otherwise determines), any debt or loans provided by GSPL (before or after the date of the Shareholders Deed) may be converted into equity in ESPP.

Following expiry of the Sole Financing Period, the Manager may from time to time as and when required, request from the shareholders contributions of funds in accordance with their respective interests in ESPP (**Cash Call**). If one of the ESPP Shareholders fails to contribute to funding, its equity will be diluted based upon the amount of the Cash Call not met by that ESPP Shareholder divided by the price per share payable pursuant to the cash call. Any dilution of the Company's interest in ESPP below 50% is subject to and conditional upon the Company obtaining any required Shareholder approvals.

The Shareholder Deed also provides that if the Company enters into a transaction that would be regarded as a change in nature and/or scale of Company's activities in accordance with ASX Listing Rule 11.1.2 then, the Company must notify GSPL in writing and is deemed to have granted to GSPL a call option to acquire all of the Company's shares in ESPP at the relevant time exercisable by written notice within 20 business days, for a total sale price of \$1.00 (**Call Option**). If the Call Option is exercised, the Company must obtain Shareholder approval for the sale of shares in ESPP to GSPL.

The Company is also entitled under the Shareholder Deed to require GSPL to purchase all of the shares which the Company holds in ESPP for a total sale price of \$1.00 (**Put Option**) by giving written notice to GSPL. If the Put Option is exercised, completion of the sale of shares in ESPP to GSPL will be subject to the receipt of any necessary regulatory or Shareholder approvals. The Put Option allows the Company to exit the Project at any time should the Company consider it has become not commercially viable.

The Shareholders Deed contains such other terms and conditions as are standard for an agreement of this nature including pre-emptive rights, warranties and termination events.

7.3 Creditors' Trust Deed

Pursuant to the terms of the DOCA, the Company has established a Creditors' Trust to deal with the debts and claims against the Company that, but for the release of claims under the DOCA, would have been payable by the Company.

The Creditors' Trust Deed provides for the establishment of the Creditors' Trust and sets out, amongst other things, the powers of the trustee of the Creditors' Trust and the manner of distribution of trust funds.

7.4 Syndicate Loans

Members of the Syndicate, being Romfal Sifat Pty Ltd <The Fizmail Family Account> (a related party of the Company which is controlled by Faldi Ismail, a Director, and Pheakes Pty Ltd <Senate A/C> an entity controlled by Mr Peter Wall, a Partner of Steinepreis Paganin (the Company's solicitors), have

advanced a total of \$250,000 to the Company as unsecured loans (**Syndicate Loans**). Pheakes Pty Ltd <Senate A/C> advanced a \$125,000 Syndicate Loan and Romfal Sifat Pty Ltd <The Fizmail Family Account> advanced a further \$125,000 Syndicate Loan. The Syndicate Loans were not compromised by the DOCA and therefore survive termination of the DOCA.

Interest is payable on the Syndicate Loans at a flat rate of 10.00%.

The Syndicate Loans must be repaid in full, including interest accrued, on the earlier to occur of:

- (a) 3 months from the date the Syndicate Loans were advanced to the Company (unless extended by mutual agreement), which period ends on 10 December 2014; and
- (b) the date upon which the lender issues a notice of default to the Company.

The loan funds have been applied by the Company as part satisfaction of the Company's requirement to pay the Creditor Payment for the purposes of satisfying Creditors' claims under the Creditors' Trust Deed. Customary warranties and events of default also apply to the Syndicate Loans.

7.5 Corporate Advisor Mandate

On 16 October 2014, the Company entered into a mandate agreement with Liverpool Partners Pty Ltd (**Lead Manager**) pursuant to which the Lead Manager has agreed to act as lead manager to the General Placement and to assist in the raising of capital for the Company (**Liverpool Mandate**).

Under the Liverpool Mandate, the Lead Manager is entitled to be paid a fee of 8% (plus GST) of the capital raised by the Company pursuant to the General Placement, other than under the Priority Offer, (**Capital Raising Fee**). The Lead Manager may pass on some of this commission to parties and brokers who assist with the raising, which may include Otsana Capital.

The Lead Manager may elect to receive up to 50% of the Capital Raising Fee (excluding GST) in the form of ordinary shares, but the Lead Manager has declined that right and will instead be paid the entire Capital Raising Fee in cash.

The Company has also agreed to pay the Lead Manager's out of pocket expenses. The Lead Manager holds the discretion in relation to allocation of General Placement Shares in the event of an oversubscription.

7.6 Management Options Terms Sheet

The Company has entered into a terms sheet with the Lead Manager pursuant to which the Company has agreed to engage the Lead Manager to actively explore potential acquisitions for the Company that are either complementary to the Company's current business or are non-complementary and are outside of the Company's current business. No such potential acquisitions have been identified to date.

The Lead Manager will assist and make recommendations to the Company for the assembly of an advisory committee and new additions to the Company's executive team and Board in order to enhance the management capability of

the Company. No such potential new management or Board candidates have been identified to date.

In consideration for these services, and subject to the Company complying with the ASX Listing Rules (including obtaining approval of the Company's shareholders to the extent required to avoid breaching those rules) the Company has agreed to issue to the Lead Manager (or its nominees) 50,000,000 Options (**Lead Manager Options**). The Company intends to utilise its placement capacity under Listing Rule 7.1 to issue the maximum number of Lead Manager Options permitted by the ASX Listing Rules pursuant to the Lead Manager Offer. To the extent that placement capacity does not cover all 50,000,000 Lead Manager Options, the Company proposes to seek Shareholders' approval for the issue of those remaining Lead Manager Options at a general meeting to be held following reinstatement of the Company's quoted Securities to trading on the ASX. The terms of the Lead Manager Options are set out in Section 8.5.

7.7 Consultancy Agreement – Goldspark Investments Pty Ltd

On 9 October 2014, the Company entered into a consultancy agreement with Goldspark Investments Pty Ltd (**Goldspark**) for the provisions of services to the Company (**Consultancy Agreement**).

Pursuant to the terms of the Consultancy Agreement, Goldspark is engaged to provide company secretarial services on an "as needed basis", providing the services of Andrew Rowell and any other personnel reasonably required to perform Goldspark's duties.

In consideration for the services provided by Goldspark, the Company will pay to Goldspark:

- (a) for services rendered prior to the re-quotation of the Company on the ASX, Goldspark will be paid an amount of \$5,000 (plus GST) per month. This fee is to be accrued and paid upon ASX re-quotation and the Company and Goldspark have agreed that this amount will be capped at \$10,000;
- (b) for ongoing services post re-quotation of the Company, Goldspark will be paid an amount of \$2,000 (plus GST) per month; and
- (c) for *ad hoc* or non-standard services that are outside of the scope of the Consultancy Agreement, including, but not limited to, work associated with re-compliance with the ASX Listing Rules, a separate fee agreement will be entered into on commercial rates. Currently there are no *ad hoc* or non-standard services that are outside of the scope of the Consultancy Agreement.

The engagement is for an initial term of 12 months commencing on 10 September 2014 and may be terminated by four weeks' notice by either Goldspark or the Company during this initial term. The right of termination is expressly subject to the Company making payment of all consultancy fees to Goldspark. The term may be extended without written notice and the same conditions will apply.

In the event a party provides four weeks' notice of termination to the other, Goldspark will be entitled to a termination fee payable on the following basis:

- (a) if:
 - (i) the termination notice is given by the Company to Goldspark and none of the following events occur:
 - (A) Goldspark or Mr Rowell become bankrupt or insolvent as the case may be;
 - (B) Goldspark or Mr Rowell is guilty of any material act, neglect, default or conduct which has the direct effect of causing damage or discredit to the Company and after receiving prior notice, Goldspark or Mr Rowell has failed to rectify that default to the reasonable satisfaction of the Company within 14 days; or
 - (C) Mr Rowell is incapacitated by illness or accident for an accumulated period of four months in any twelve month period; or
 - (ii) Goldspark gives the termination notice to the Company because the Company is in breach of its obligations pursuant to the Consultancy Agreement;

then the Company shall pay Goldspark a termination fee equal to the monthly retainer amount of \$2,000 (plus GST) multiplied by the remaining number of months in the initial period, plus all outstanding moneys due and owing to Goldspark pursuant to the Consultancy Agreement; and

- (b) if Goldspark gives notice to the Company to terminate for a reason other than where the Company is in breach of its obligations pursuant to the Consultancy Agreement, the Company shall pay Goldspark the consultancy fee for the four week notice period together with all outstanding moneys due and owing to Goldspark pursuant to the Consultancy Agreement.

If any of the events in paragraph (a)(i)(A) to (a)(i)(C) above occur, the Company may terminate the Consultancy Agreement without paying a termination fee.

7.8 Further related party agreements

Section 3.13 contains further summaries of agreements between the Company and its related parties.

8. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to Shares and Options currently on issue and those proposed to be issued, including those being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Security holders. To obtain such a statement, persons should seek independent legal advice.

8.1 Rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8.2 Terms of Existing Listed Options

The terms and conditions attaching to the existing Listed Options are set out below:

(a) **Entitlement on Exercise of Listed Options**

Subject to these conditions, each Listed Option entitles the holder to subscribe for and be allotted one Share upon the exercise of the Listed Option and payment to the Company of the Exercise Price (being \$4.60).

(b) **Exercise of Listed Options**

- (i) The holder may at any time during the Exercise Period (being the period between the date of issue of the Listed Option, and 30 June 2015 (**Expiry Date**)) give a notice (**Exercise Notice**) to the Company requiring the Company to issue Shares on exercise of the Listed Options.
- (ii) An Exercise Notice must be in writing and must be delivered to the registered office of the Company (or such other place as the Company may notify holders in writing) together with payment of the Exercise Price for each of the Listed Options exercised.
- (iii) The Directors may prescribe the form of an Exercise Notice which must be given by a holder in order to exercise a Listed Option.
- (iv) On exercise of any Listed Options, the Company must allot to the holder the number of Shares for which the Listed Options are exercised at the Exercise Price. The Company must allot the Shares within 10 Business Days of receipt of the Exercise Notice.

- (v) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for the Listed Options exercised in cash or cleared funds.
- (vi) The Company must send to the holder a holding statement or other statement in respect of the Listed Options so held and any Shares issued on exercise of those Listed Options within the time and in accordance with the applicable provisions of the ASX Listing Rules, ASX Settlement Rules and the Constitution.
- (vii) If required by the ASX Listing Rules, the Company must tell the holder in writing of the Exercise Price and Expiry Date of the Listed Options within the time prescribed by the ASX Listing Rules after the first holding statement or other statement is sent.
- (viii) Shares allotted upon exercise of Listed Options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the Constitution.
- (ix) Any Listed Option which has not been exercised by 5.00 pm (Sydney Time) on 30 June 2015 lapses. An Exercise Notice is not effective if it is received by the Company after the expiration of the Exercise Period.

(c) **Quotation of Shares**

If Shares in the Company are quoted on ASX at the time of exercise of the Listed Options, the Company must make application to ASX for the number of Shares as corresponds to the number of Listed Options exercised within 10 Business Days of the allotment of those Shares.

(d) **New, Bonus and Pro-Rata Issues**

- (i) A holder cannot participate in a new issue of securities in the Company without first exercising the Listed Options. However, the Company will send a notice to each holder at least 6 Business Days before the record date applicable to that new issue. This will give holders the opportunity to exercise their Listed Options prior to the date for the determination of entitlements to participate in that new issue.
- (ii) Holders who exercise their Listed Options before the applicable record date for the new issue will be entitled to participate in that new issue.
- (iii) Except as expressly set out in these conditions, a holder does not have any right to change the Exercise Price of a Listed Option or the number of Shares over which a Listed Option can be exercised.
- (iv) If the Company offers Shares by way of a pro-rata Issue (except a bonus issue) to the holders of Shares (whether renounceable or non renounceable), the Exercise Price of a Listed Option will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (v) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each Listed Option is

exercisable will be increased by the number of Shares which the holder would have received under the bonus issue if the Listed Option had been exercised before the record date for the bonus issue.

- (vi) In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company on or prior to the Expiry Date, the rights of a holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules governing reorganisations in force at the time of the reorganisation.

(e) **Maintenance of Register and Transfers of Listed Options**

- (i) The Company will keep and maintain, or cause to be kept and maintained, a register of holders of Listed Options. The Company must ensure that the Register is maintained in compliance with the Corporations Act and all other applicable rules and requirements.
- (ii) Subject to the Constitution, ASX Listing Rules and ASX Settlement Rules, all Listed Options are transferable. The provisions of the Constitution relating to a transfer of Shares apply, with necessary alterations, to a transfer of Listed Options.
- (iii) The Company must tell a new holder in writing of the Exercise Price and the Expiry Date. If the information is not on the holding statement or other statement in respect of the Listed Options, the Company must give the holder a statement with that information within 5 Business Days after the holding statement or other statement in respect of the Listed Options is sent to the holder.

(f) **General provisions**

(i) **Severance**

- (A) If a provision of these conditions or its application to any person or circumstance is or becomes invalid, illegal or unenforceable then the provision must, as far as possible, be interpreted as narrowly as possible to ensure that it is not illegal, invalid or unenforceable.
- (B) If any provision or part of it cannot be so interpreted, then the provision or its part is taken to be void and severable. The remaining provisions of these conditions are not affected or impaired in any way.

(ii) **Holders bound by Constitution**

A holder is bound by these conditions. A holder is bound by the Constitution to the extent that the Constitution relates to or governs the Listed Options.

(iii) **Waiver and Variation**

- (A) Subject to the ASX Listing Rules, ASX Settlement Rules and the Constitution, the Directors may by resolution:
 - (I) waive strict compliance with any of these conditions; or
 - (II) add to, vary or otherwise change any of these conditions for any reason including to ensure compliance with the ASX Listing Rules either generally in relation to all holders or as they apply to a particular holder.
- (B) Any waiver, addition, variation or other change under Section 8.2(f)(iii)(A) must not be made unless:
 - (I) any holder affected by the waiver, addition, variation or other change so consents in writing; or
 - (II) the Directors reasonably consider that the waiver, addition, variation or other change is required to ensure compliance with the ASX Listing Rules or any law or requirement binding on the Company or does not adversely affect a holder's rights under these conditions.

(g) **Notice of Expiry**

The Company must send a holder before the Expiry Date of the Listed Options any notice required by Appendix 6A.6 of the ASX Listing Rules to be sent to holders.

(h) **Governing law**

These conditions are to be construed according to and are governed by the laws of New South Wales, Australia. Each of the Company and the holder submits to the exclusive jurisdiction of the courts in and of New South Wales in relation to any dispute arising under these conditions.

(i) **Foreign Exchange**

Subject to the ASX Listing Rules, the Directors may in respect of Listed Options offered, issued or granted to or held by an overseas person denominate the issue price or Exercise Price (or both) in a currency other than Australian dollars. The Directors may make such arrangements as they see fit concerning any foreign currency gains or losses arising from such denomination of the issue price or Exercise Price (or both) in a currency other than Australian dollars including the retention of any foreign currency gains by the Company or the bearing of any foreign currency losses by the Company.

8.3 Terms of Existing Unquoted Options

The terms and conditions attaching to the existing Unquoted Options are set out below:

- (a) Each Unquoted Option constitutes the right to subscribe for one Share in the Company at the exercise price of \$9.20 per Unquoted Option.
- (b) Shares issued on exercise of the Unquoted Options will rank equally with all existing ordinary shares of the Company from the date of issue.
- (c) The Unquoted Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 31 October 2015 together with a cheque for the exercise price and the options certificate (if any) for those Unquoted Options for cancellation by the Company,
- (d) Quotation of the Unquoted Options on ASX will not be sought. The Company will allot the number of Shares the subject of any exercise notice, and apply at its cost for listing on ASX of the Shares so allotted.
- (e) Holders of the Unquoted Options will only be permitted to participate in new issues of securities of the Company on the prior exercise of the Unquoted Options, in which case the holders of the Unquoted Options will be afforded a period of at least 10 business days' notice prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Unquoted Options.
- (f) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Unquoted Options, the exercise price of the Unquoted Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules of ASX but with the intention that such reconstruction, will not result in any benefits being conferred on the holders of the Unquoted Options which are not conferred on Shareholders. Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Unquoted Options will remain unchanged.

8.4 Terms of Promoter Options

The terms and conditions attaching to the Promoter Options are set out below:

- (a) **Entitlement**
Each Promoter Option entitles the holder to subscribe for one Share upon exercise of the Promoter Option.
- (b) **Exercise Price**
Subject to paragraph 8.4(j), the amount payable upon exercise of each Promoter Option will be \$0.01 (**Exercise Price**).
- (c) **Expiry Date**
Each Promoter Option will expire at 5:00 pm (WST) on the date which is 4 years after the date of their issue (**Expiry Date**). A Promoter Option not

exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Promoter Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under paragraph 8.4(g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with

ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

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

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Promoter Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Promoter Options without exercising the Promoter Options.

(l) **Change in exercise price**

A Promoter Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Promoter Option can be exercised.

(m) **Unquoted**

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

(n) **Transferability**

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

8.5 Terms of Lead Manager Options

The terms and conditions attaching to the Lead Manager Options are set out below:

(a) **Entitlement**

Each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

(b) **Exercise Price**

Subject to paragraph 8.5(j), the amount payable upon exercise of each Lead Manager Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Exercise Period**

The Lead Manager Options are exercisable at any time on and from the date on which the VWAP is \$0.02 or above until the Expiry Date (**Exercise Period**).

VWAP means the volume weighted average market price (as defined in the ASX Listing Rules) for Shares calculated over 20 consecutive trading days on which sales in the Shares are recorded.

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required by the Lead Manager or another holder of Lead Manager Options, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**), or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

If a notice delivered under 8.5(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

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

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Unquoted**

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

(n) **Transferability**

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

9. CORPORATE GOVERNANCE

9.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.bouldersteel.com.au).

The Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing with senior executives and approving of corporate strategy, policy and business objectives;
- (b) monitoring the performance of, and implementation of strategy by, the senior executives;
- (c) ensuring appropriate resources are available;
- (d) appointing and removing senior executives;
- (e) reviewing and ratifying systems of risk management and internal controls, codes of conduct, corporate governance and legal compliance;
- (f) approving and monitoring the progress of major capital expenditures, capital management, capital raising and acquisitions and divestitures;

- (g) approving budgets and monitoring financial and other reporting;
- (h) defining and monitoring the respective roles of the Board and senior executives;
- (i) remuneration policy covering Directors and senior executives;
- (j) approving the process for annually evaluating the performance of senior executives and disclosing the process in the annual report;
- (k) establishing measurable objectives for achieving gender diversity and assessing annually both the measurable objectives for achieving gender diversity and the progress in achieving them; and
- (l) at least annually, updating and/or affirming the allocation of roles and responsibilities described above.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of Shareholders in general meeting. However, subject thereto, the Company is committed to working towards the following principles:

- (a) where practical, the majority of the Board is comprised of non-executive Directors, who satisfy the criteria for independence;
- (b) the Directors shall have an appropriate cross section of skills and expertise;
- (c) the Chairman must be a non-executive who satisfies the criteria for independence;
- (d) the same individual must not exercise the roles of Chairman and Chief Executive Officer/Managing Director; and
- (e) all Directors shall bring independent judgement to bear in decision making.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is currently set at \$500,000. Any increases will be the subject of a Shareholder resolution in accordance with clause 6.3(a) of the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

The Board may award additional remuneration to Directors called upon to perform extra services or who make special exertions on behalf of the Company.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company does not have a separately constituted audit committee. The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the

contributions of employees with diverse backgrounds, experiences and perspectives.

9.2 Departures from Recommendations

The Company is required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
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	<p>The Company has adopted a Board Charter.</p> <p>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.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
Recommendation 1.2 A listed entity should: <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(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.</p> <p>(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.</p>

<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>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.</p>
<p>Recommendation 1.4</p> <p>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.</p>	<p>YES</p>	<p>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.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <ul style="list-style-type: none"> (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 	<p>YES</p>	<p>(a) The Company has adopted a Diversity Policy.</p> <ul style="list-style-type: none"> (i) The Diversity Policy provides a framework for the Company to achieve a list of five (5) measurable objectives that encompass gender equality. (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. <p>(b) The Diversity Policy is available on the company website.</p> <p>(c)</p> <ul style="list-style-type: none"> (i) The measurable objectives set by the Board will be included in the annual key performance indicators for the senior executives. In addition the board will review progress against the objectives in its annual performance assessment. (ii) <ul style="list-style-type: none"> (A) The board will include in the annual report

defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.		each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.
Recommendation 1.6 A listed entity should: <ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (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. (b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.
Recommendation 1.7 A listed entity should: <ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (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. Schedule 6 "Performance Evaluation" requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided

		in the Company's Annual Reports.
Principle 2: Structure the board to add value		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p style="padding-left: 40px;">and disclose:</p> <ul style="list-style-type: none"> (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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	NO	<p>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.</p> <p>The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devotes time at annual board meeting(s) 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.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>

<p>Recommendation 2.2</p> <p>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.</p>	<p>YES</p>	<p>The Board is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Board Charter requires the disclosure of each board members qualifications and expertise as set out in the Company's Board skills matrix. Full details as to each director and senior executive's relevant skills and experience are available in this Prospectus, the Company's Annual Reports and Company's website.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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 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</p> <p>(c) the length of service of each director</p>	<p>YES</p>	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. These details are provided in the Prospectus;</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Prospectus; and</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of</p>

		each Director is provided in the Annual Reports.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	NO	<p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>Only half of the Directors are independent. Given the present size and complexity of the Company, the composition of the Board is considered appropriate. The Board will consider the appointment of further independent directors if the Company increases in size and complexity (though no forecast is made of whether that will occur).</p> <p>Details of each Director's independence are provided in the Annual Reports.</p>
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	<p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director.</p> <p>The Company's Chairman, Mr Shane Tanner is an independent director and is not the CEO.</p>
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	<p>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.</p>

Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (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, <p>and disclose:</p> <ul style="list-style-type: none"> (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 	NO	<p>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.</p> <p>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.</p> <p>The Board devote time at quarterly 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.</p>

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the 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.	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
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	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) disclose that policy or a summary of it.		(b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.
Principle 6: <i>Respect the rights of security holders</i>		
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.
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.
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	<p>The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to</p>

		participate at the meeting.
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. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <p>(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.</p>	NO	<p>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 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.</p> <p>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</p> <p>The Board devote time at quarterly 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.</p>

<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(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</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p>	<p>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure - Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. The Board reviews the entity's risk management framework with management at least annually.</p> <p>(b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Reports.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>YES</p>	<p>Schedule 3 of the Company's Corporate Governance Plan provides for the internal audit function of the Company. The Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p>

<p>Recommendation 7.4</p> <p>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.</p>	<p>YES</p>	<p>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 is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is</p>	<p>NO</p>	<p>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.</p> <p>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.</p> <p>The Board devote time at annual 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.</p>

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 requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.
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 otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	(a) 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 approve any equity based plans. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

10. RISK FACTORS

10.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and the key risk factors described in Section 3.9, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section 10, in Section 3.9 or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The risk factors described in this Section 10 and in Section 3.9 are not intended to be an exhaustive list of the risk factors to which the Company is exposed.

10.2 Industry specific risks

If the Project is developed and commences operations whilst the Company maintains an interest in it, which events are likely to never occur, various risks specific to the steel production industry would apply to the Company (and ESPP), including, without limitation, the following risks.

(a) Steel prices, raw material prices and competition

The success or failure of the Project will be strongly influenced by international steel prices, which can fluctuate significantly over time and are difficult to forecast, and any material and sustained steel price deterioration in the absence of corresponding raw materials price declines could adversely affect the Project and financial performance of entities with interests in it.

Factors that affect international steel prices, such as economic growth, exchange rate fluctuations, changes in global steel production capacity, changes in the cost of raw materials and trade barriers, are outside of the Company's control. Sustained international steel price reductions would have an overall material adverse impact on the Project and the financial results of entities with interests in it.

Steel production requires the use of large volumes of bulk raw materials, in particular iron ore and coking coal. The success or failure of the Project will be strongly influenced by the availability of and international prices for raw materials including iron ore and coal, which fluctuate significantly over time and are difficult to forecast. Any material and sustained increases in the price of such raw materials in the absence of corresponding steel price increases could adversely affect the Project and the financial performance of those with interests in it.

A material movement in electricity pricing could have an adverse impact on the Project and the financial results of entities with interests in it.

Any oversupply of steel and inability for the Project to compete with international steel manufacturers, for example due to higher costs of

production in Australia as compared with foreign jurisdictions, could adversely affect the Project and the financial performance of those with interests in it.

(b) **Exchange rate fluctuations**

As steel production and sale is an internationally competitive business, the viability of the Project, and those entities with interests in it, may be adversely impacted by movements and fluctuations in currency exchange rates.

(c) **Project failures**

The viability of the Project, and those entities with interests in it may be adversely impacted by force majeure events and other failures, such as operational failures at the Project or elsewhere.

Steel manufacturing processes are dependent on critical steelmaking equipment, such as furnaces, steam boilers, continuous casters, rolling mills and electrical equipment (such as transformers), and such equipment may incur downtime as a result of unanticipated failures or other events, such as fires, furnace breakdowns or loss of external power supply.

An interruption of energy supply to the Project, could have an adverse impact of the Project and the financial results of entities with interests in it. Should the Project be developed and if a significant facility or process failure occurs at the Project, it may be shutdown or prevented from commencing or continuing operations.

(d) **Third party relationships and regulatory risks**

If the Project is ever to be constructed and commercialised (which may never occur and is likely to not occur whilst the Company holds an interest in the Project) its viability will depend heavily upon relationships (including contractual relationships) with third parties. Examples of such third parties include, without limitation, government and other regulatory bodies, social stakeholders, financiers, suppliers, transportation service providers, environmental interest groups, customers, trade unions, insurers, advisers, contractors, employees, joint venturers and other groups.

The Project and those with interests in it may be adversely affected by such relationships and third parties and their acts and omissions.

The steel industry is also heavily regulated in Australia and elsewhere by legal and regulatory requirements which may change and may adversely affect the Project and the financial results and other interests of entities with interests in the Project.

(e) **Environmental laws**

Environmental laws impose obligations on steel producers, and violations of these laws could result in penalties and other liabilities, including, without limitation, clean-up costs and remediation.

(f) **Political, social and economic risks**

The Project and entities with interests in it are subject to political, social and economic policy risks and uncertainties in the countries in which they operate or propose to operate. Any deterioration or disruption of the political, social or economic environment and business climate in those countries may have an effect on the Project, such entities and their financial position, results of operations and prospects.

Industrial disputes with employees and unions could disrupt the Project and adversely affect entities with an interest in it. Such entities are also exposed to risks relating to occupational health and safety and potential legal claims.

National trade restrictions could reduce or eliminate the access of entities with interests in the Project to steel markets and they may be exposed to unfair practices.

(g) **Competitive products**

Competition from other materials and competition from steel producers could significantly reduce market prices and demand for steel products and thereby reduce the financial position and financial performance of entities with an interest in the Project.

10.3 **General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the ASX have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Company's quoted Securities, regardless of the Company's performance.

(d) **Future capital requirements**

The Company's ongoing activities will require substantial expenditure. There can be no guarantee that the funds raised through the Offers will be sufficient to successfully achieve all the objectives of the Company's overall two year business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offers, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Security holders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

If the Project proceeds, which is unlikely to occur whilst the Company has an interest in it (via ESPP) it will require very substantial expenditure to develop, far in excess of the Company's financial capacity after the Offers. There can be no guarantee given and the Company gives no representation on whether such funding may be raised. There is no currently available source of such funding.

(e) **Force Majeure**

The Company's business now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Insurance and uninsured risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(g) **Laws, government policy and approvals**

Existing laws, government regulations and policies and changes in the same may adversely affect the financial performance of the Company. The Company's financial performance, financial position and capacity to carry out its activities may be affected by changes in government policy, which are beyond the Company's control.

(h) **Other projects**

The Company may look to complete other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.

(i) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or of acquiring or disposing of Securities.

(j) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Directors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these key personnel cease their employment or appointment to the Company.

10.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should- consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

11. ADDITIONAL INFORMATION

11.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released by the Company through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX.

The Shares that will be issued pursuant to this Prospectus will be in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of

lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
25/11/2014	Board Appointments and Resignations
04/11/2014	Execution of JV Agreement and Shareholders Deed
03/11/2014	June 2014 Annual Report amended
03/11/2014	June 2013 Annual Report amended
31/10/2014	June 2014 Annual Report
31/10/2014	December 2013 Interim Financial Report
31/10/2014	June 2013 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.bouldersteel.com.au.

11.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Faldi Ismail ¹	Nil	Nil
Shane Tanner ²	Nil	Nil
Craig Higgins ²	Nil	Nil
Nicholas Young ³	Nil	Nil

Notes:

1. At the General Meeting, Shareholder approval was received to issue up to 10,000,000 Promoter Shares, 10,000,000 Promoter Options and 10,000,000 General Placement Shares to Mr Ismail (or his nominee). Refer to Section 3.12 for further information.
2. It is proposed that each of Shane Tanner and Craig Higgins (or their nominees) will be issued 2,500,000 Lead Manager Options, subject to the receipt of prior Shareholders' approval in general meeting.
3. At the General Meeting, Shareholder approval was received to issue up to 10,000,000 Promoter Shares, 10,000,000 Promoter Options and 10,000,000 General Placement Shares to Mr Young (or his nominee). Refer to Section 3.12 for further information.

Mr Faldi Ismail and Mr Nicholas Young were nominated by Otsana Capital pursuant to the terms of the Recapitalisation Proposal. The Board subsequently appointed Mr Higgins and Mr Tanner on 25 November 2014. Mr Higgins is an employee of the Lead Manager.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is set by the ordinary resolution of Shareholders in general meetings in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to the Directors (inclusive of any applicable superannuation) in consideration for their services as Directors of the Company, as agreed pursuant to the Non-Executive Directors' Appointment Letters summarised in Section 3.13.

Director	FY 2015	FY 2014	FY 2013
Craig Higgins ¹	\$36,000	\$Nil	\$Nil
Faldi Ismail ²	\$36,000	\$Nil	\$Nil
Shane Tanner ³	\$36,000	\$Nil	\$Nil
Nicholas Young ²	\$36,000	\$Nil	\$Nil

Notes:

1. M Higgins was appointed as a Director on 25 November 2014.
2. Mr Ismail and Mr Young were appointed as Directors on 10 September 2014. In addition to their respective fees in the table above, the Company has agreed to pay each of Faldi Ismail and Nicholas Young a monthly fee of \$3,000 each (inclusive of any applicable superannuation) to manage the Company's interests in ESPP (as summarised in Section 3.13).
3. Mr Tanner was appointed as a Director on 25 November 2014.

11.4 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$60,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not been paid by the Company for further services of the nature described in this Section 11.4.

Otsana Capital will be assisting with the management of the Offers and has been largely responsible for the implementation of the Recapitalisation Proposal. The Company will pay Otsana Capital a fee of \$200,000 (excluding GST) for its services in relation to the Recapitalisation Proposal, as summarised in Section 3.13. During the 24 months preceding lodgement of this Prospectus with ASIC, Otsana Capital has not been paid by the Company for services rendered. The

Company will also pay Otsana Capital \$7,757 (inclusive of GST) as reimbursement of travel and accommodation expenses and pay costs relating to the General Meeting which costs were previously incurred by Otsana (as summarised in Section 3.13). The Lead Manager may pay part of its commission on the capital raising by the Company pursuant to the General Placement to Otsana Capital as described in Section 7.5.

As summarised in Section 7.5 of this Prospectus, Liverpool Partners Pty Ltd is acting as Lead Manager to the General Placement. The Company estimates it will pay the Lead Manager a fee of 8% (plus GST) of the capital raised by the Company pursuant to the General Placement, other than pursuant to the Priority Offer, for these services. The Lead Manager will also be reimbursed for its expenses incurred in performing the role of Lead Manager in the General Placement, being up to \$50,000. Section 7.6 also summarises the proposal to issue the Lead Manager Options to the Lead Manager (or its nominees) pursuant to the Management Options Terms Sheet. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not been paid any fees by the Company.

11.5 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of statements relating to Steinepreis Paganin contained in this Prospectus, in each case in the form and context in which it was included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Otsana Capital has given its written consent to being named as the proponent to the Recapitalisation Proposal in this Prospectus and to the inclusion of statements relating to Otsana Capital in this Prospectus, in each case in the form and context in which it was included. Otsana Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Liverpool Partners Pty Ltd has given its written consent to being named as the Lead Manager to the General Placement in this Prospectus and to the inclusion of statements relating to Liverpool Partners Pty Ltd in this Prospectus, in each case in the form and context in which it was included. Liverpool Partners Pty Ltd Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Ernst and Young has given its written consent to being named as the Company's auditor in this Prospectus. Ernst and Young has also given its written consent to the inclusion of parts of the Company's 2014 audited accounts in this Prospectus and to the inclusion of all statements relating to Ernst and Young in this Prospectus, in each case in the form and context in which it is included. Ernst & Young has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

11.6 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$231,616 (excluding GST), assuming that the Offers are fully subscribed, and are expected to be applied towards the items set out in the table below:

	Minimum Subscription \$	Full Subscription \$
ASIC fees	2,290	2,290
ASX fees	7,348	8,826
Legal fees	60,000	60,000
Printing and distribution	500	500
Miscellaneous	5,000	5,000
Lead Manager and broker commissions (refer to Section 7.5)	156,000	200,000
Total	231,138	276,616

11.7 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

11.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Shane Tanner
Non-Executive Chairman
For and on behalf of
Boulder Steel Ltd

13. GLOSSARY

\$ or A\$ means the lawful currency of the Commonwealth of Australia.

Administrator means Mr Steven Nicols of Nicols + Brien Business Recovery, being the administrator appointed in relation to the Company under Part 5.3A of the Corporations Act.

Applicant means an investor that applies for Securities using an Application Form pursuant to this Prospectus.

Application Forms means the Promoter Placement Application Form, the Lead Manager Application Form and the General Placement Application Form (which accompany this Prospectus) and **Application Form** means one of them.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

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

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Claims means all admitted claims against the Company arising on or before 30 October 2013.

Closing Date means the date specified in the timetable set out in Section 3.8 of this Prospectus (unless varied).

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

Consolidation means the consolidation of the Company's capital on a one (1) for forty-six (46) basis, rounded up to the nearest whole number, approved by Shareholders at the General Meeting.

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Creditor Payment has the meaning given in Section 3.3(f) of this Prospectus.

Creditors means those creditors of the Company with Claims.

Creditors' Trust means the trust fund established pursuant to the Creditors' Trust Deed to hold the Creditor Payment and any other assets on trust pursuant to the terms of the Creditors' Trust Deed and DOCA.

Creditors' Trust Deed means the Creditors' Trust Deed entered into by the Company and the Deed Administrator on 10 September 2014 created pursuant to the DOCA.

Deed Administrator means Mr Steven Nicols of Nicols + Brien Business Recovery, the deed administrator of the Company under the DOCA.

Directors means the directors of the Company as at the date of this Prospectus.

DOCA means the Amended and Restated Deed of Company Arrangement entered into by the Company and the Deed Administrator on 27 February 2014.

ESPP means Euroa Steel Plant Project Pty Ltd (ACN 169 438 500).

FY means financial year.

General Meeting means the general meeting of Shareholders held on 4 September 2014 in relation to the Recapitalisation Proposal, among other things.

General Placement means the offer of up to 250,000,000 General Placement Shares (on a post-Consolidation basis) at an issue price of \$0.01 per Share, as described in Section 4 of this Prospectus.

General Placement Application Form means the application form attached to or accompanying this Prospectus relating to the General Placement.

General Placement Share means a Share to be issued under the General Placement.

GSPL means Gladstone Steel Pty Ltd (ACN 169 371 028).

Lead Manager means Liverpool Partners Pty Ltd ACN 159 465 193, the Lead Manager to the General Placement.

Lead Manager Application Form means the application form attached to or accompanying this Prospectus relating to the Lead Manager Offer.

Lead Manager Offer means the offer of up to 50,000,000 Lead Manager Options (on a post-Consolidation basis) in consideration for services to be provided to the Company as described in Section 7.6 of this Prospectus.

Lead Manager Option means an option to acquire a Share, on the terms set out in Section 8.5 of this Prospectus.

Listed Option means an option to acquire a Share, on the terms set out in Section 8.2 of this Prospectus.

Offers means the offers of Securities pursuant to this Prospectus, being the Promoter Placement, the General Placement and the Lead Manager Offer, as outlined in this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out in Section 3.8 of this Prospectus.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Otsana Capital means Otsana Pty Ltd (ACN 145 168 216) trading as Otsana Capital.

Priority Offer has the meaning given in Section 3.7 of this Prospectus.

Promoter Option means an option to acquire a Share, on the terms set out in Section 8.4 of this Prospectus.

Promoter Placement means the offer of 50,000,000 Promoter Shares at an issue price of \$0.00001 per Share, plus 50,000,000 Promoter Options at an issue price of \$0.00001 per Promoter Option (in each case on a post-Consolidation basis) as described in Section 4 of this Prospectus.

Promoter Placement Application Form means an application form attached to or accompanying this Prospectus relating to the Promoter Placement.

Promoter Share means a Share to be issued under the Promoter Placement.

Prospectus means this prospectus.

Recapitalisation Proposal means the proposal by Otsana Capital to recapitalise and restructure the Company pursuant to the DOCA as summarised in this Prospectus.

Section means a section of this Prospectus, unless otherwise specified.

Securities means Shares and/or Options.

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

Shareholder means a holder of a Share.

Syndicate means a syndicate of investors nominated by Otsana Capital, including two of the Directors, Faldi Ismail and Nicholas Young, and a former director of the Company, John Ciganek (and their nominees), and any other person nominated by Otsana Capital to receive Securities pursuant to the General Placement and Promoter Placement, and their associates.

Unquoted Option means an option to acquire a Share, on the terms set out in Section 8.3 of this Prospectus.



This is an Application Form for General Placement Shares in Boulder Steel Ltd (ACN 009 074 588) (the **Company**) under the terms set out in the Prospectus issued by the Company and dated and lodged with the Australian Securities and Investments Commission on 26 November 2014.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for General Placement Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus and any supplementary document. The Corporations Act 2001 (Cth) prohibits any person from passing onto another person an application form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. While the Prospectus is current, the Company will send paper copies of the Prospectus, any supplementary document and the Application Form, on request and without charge.

1	Number of General Placement Shares you are applying for	2	Total amount payable (multiply box 1 by \$0.01 per General Placement Share)
	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	AS\$	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

I/We whose full name(s) and address appear below hereby apply for the number of General Placement Shares shown above, on the terms set out in the Prospectus.

[illegible]

4 Write your postal address here – to be registered against your holding

Number/Street																															
Suburb/Town																		State						Postcode							

5	CHESS Participants and existing holders of Securities in the Company (<i>insert your HIN or existing SRN below – including the “X” or “I” - (eye)</i>)									

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held any General Placement Share issued as a result of your Application will be held on a new Issuer Sponsored number.

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held any General Placement Share issued as a result of your Application will be held on a new Issuer Sponsored number.

6 Email Address (see reverse of form – this is for all communications legally permissible and despatched by the Company)

[illegible]

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

5

8 PLEASE INSERT CHEQUE DETAILS

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Boulder Steel Ltd – Share Offer Account** crossed “Not Negotiable” and forwarded to the Company in accordance with the instructions below, to arrive no later than **5.00 pm (AWST) on the Closing Date as defined in the Prospectus (or such other date as directed by the Company)**.

<i>Cheque Number</i>	<i>BSB</i>	-	<i>Account Number</i>
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9 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number () Contact Name (PRINT)

DECLARATION

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of General Placement Shares specified in this Application Form or such lesser number as may be allocated by the Company's Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the Company's Directors to complete or amend this Application Form and any other documentation where necessary to correct any errors or omissions;
- (4) acknowledges that he/she received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for General Placement Shares;
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus; and
- (6) acknowledges that the Company will send me/us a paper copy of the Prospectus and any supplementary prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Company's Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more General Placement Shares than is indicated by the amount of the accompanying cheque.

INSTRUCTIONS TO COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS

The below instructions are cross-referenced to each section of the Application Form.

1 Number of General Placement Shares

Insert the number of General Placement Shares you wish to apply for in section 1.

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of General Placement Shares applied for by \$0.01 – the application price per General Placement Share.

3 Name(s) in which the General Placement Shares are to be registered

Note that ONLY legal entities can hold General Placement Shares. The application must be in the name of one or up to three natural persons, companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.automic.com.au.

5 CHESS HIN or existing SRN Details

The Company participates in CHESS. If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5. If you are an existing Issuer Sponsored holder of Securities in the Company please insert your SRN in section 5.

6 Email Address

As permitted under the Corporations Act, the Company will only be forwarding printed annual reports to members electing to receive one. Our company annual report and company information will be available at www.bouldersteel.com.au You may elect to receive all communications despatched by the Company electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 Cheque Details

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Boulder Steel Ltd – Share Offer Account** and crossed "Not Negotiable". Please complete the relevant details in section 8.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

Boulder Steel Ltd
PO Box 1974
WEST PERTH WA 6872
AUSTRALIA

Hand Delivery (*Please do not use this address for mailing purposes*)

Boulder Steel Ltd
108 Outram Street
WEST PERTH WA 6005
AUSTRALIA