



Boulder Steel Ltd

ABN 78 009 074 588

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18 December 2014

Ben Tippet
Advisor, Listings (Perth)
The Australian Securities Exchange
Level 40, Central Park
152-158 ST Georges Terrace
PERTH, WA, 6000

Dear Ben,

QUARTERLY REPORT
For the period ended 30 September 2014

The Directors of Boulder Steel Ltd ("the Company") provide the following update for the period from 1 July 2014 to 30 September 2014.

Administration

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. Following appointment of the administrators, the powers of the Company's officers (including its previous directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

On 29 October 2013, at an adjourned second meeting of creditors of the Company, the creditors of the Company resolved to end the voluntary administration and control was handed back to the Company's previous directors.

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

On 4 February 2014, at an adjourned meeting of Creditors of the Company, the Creditors of the Company resolved to execute a deed of company arrangement (**DOCA**). The Company, 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.

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.

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.

Re-quotation Activities

Following the control of the Company being returned to the Directors, the Board has been working through the processes in order for the Company to be re-quoted on the ASX.

On 26 November 2014, the Company issued a Prospectus to raise up to \$2,501,000.

Post Reporting Period Activities

Euroa Steel Plant Project Joint Venture

On 6th November 2014, the Company announced that it had executed a Joint Venture Agreement and Shareholder Deed with Gladstone Steel Pty Ltd ("**Gladstone**") over the Euroa Steel Plant Project in Gladstone, Queensland.

As detailed in the Company's Notice of Meeting dated 8 July 2014, the transaction involved the Company transferring all of the existing business and assets to Euroa Steel Plant Project Pty Ltd ("**ESPP**"), a newly formed company owned equally by the Company and Gladstone. ESPP will be managed by a board of directors, comprised equally of representatives of the Company and Gladstone.

In order to earn a 50% equity shareholding in ESPP, Gladstone agreed to contribute 50% of the funds payable to the Creditors' Trust, being \$300,000 and 50% of the costs associated with recapitalising the Company. Of the funds payable to the Creditors' Trust, \$250,000 has already been paid with a further \$50,000 payable within 5 business days of the Company being re-quoted on the ASX.

ESPP has advised that the initial focus for the JV will be completion of the Environmental Impact Study.

Shareholder Deed

The Shareholder Deed 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 Gladstone in writing and is deemed to have granted to Gladstone a call option to acquire all of the Company's shares in ESPP at the relevant time, 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 Gladstone.

The Company is also entitled under the Shareholder Deed to require Gladstone 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 Gladstone. If the Put Option is exercised, the Company must obtain Shareholder approval



for the sale of shares in ESPP to Gladstone. The Put Option allows the Company to exit the Project at any time should the Company consider it has become not commercially viable.

Finance

The Company was under the control of Administrators for the period to which this report relates.

The cashflow report for the quarter ended 30 September 2014 has been prepared by Directors who were not in office at the time the Group entered voluntary administration or for all of the period presented in this report, nor were they parties involved with the Company. The Directors who prepared this cashflow report were appointed on or after 10 September 2014. Every reasonable effort has been made by the Directors to ascertain the true position of the Company as at 30 September 2014.

Although the Directors have prepared this cashflow report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this cashflow report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the Corporations Act 2001, nor is it possible to state this cashflow report gives a true and fair view of the Group's financial position as at 30 September 2014.

Yours faithfully,

Andrew Rowell
Company Secretary

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BOULDER STEEL LTD

ABN

78 009 074 588

Quarter ended ("current quarter")

30 Sep 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(8)	(8)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (DOCA Payment)	(250)	(250)
		(258)	(258)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Loans for DOCA payment)	250	250
		250	250
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(8)	(8)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8)	(8)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(8)	(8)
1.20	Cash at beginning of quarter/year to date	8	8
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	-	-

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2
1.24	Aggregate amount of loans to the parties included in item 1.10

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	-
Total	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	-	-
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) ⁺	-	-
Total: cash at end of quarter (item 1.22)	-	-

⁺ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	12,013,675 ¹	12,013,675 ¹	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report


7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	335,870 ¹		Exercise price \$4.60 ¹	Expiry date 30 June 2015
		6,192,680 ¹	6,192,680 ¹	\$9.20 ¹	31 October 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Note 1: Shares were consolidated on a 1-for-46 basis during the September quarter

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:


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(Director/Company secretary)

Date: ..18 December 2014..

Print name: ...Andrew Rowell.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

+ See chapter 19 for defined terms.

position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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