

# BOULDER STEEL LIMITED

A.C.N 009 074 588

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30 July 2010

Company Announcements  
The Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

RE: BOULDER STEEL LIMITED  
REPORT FOR QUARTER ENDED 30 JUNE 2010

Gladstone Steel Project  
**100% Boulder Steel Limited**

There has been further progress on the Gladstone Steel Project during the quarter with the bulk of the EIS work now completed and ready for submission. The receipt of the preliminary plant engineering proposals has enabled the Company to complete the site layout with only minor refinements foreseen in the future.

The Company has also agreed with key stakeholders and Queensland Government bodies on the integration of key transport infrastructure for the plant. Mr Carl Moser, General Manager, said "finalising our transport routes and how they interact with the port facilities at Fisherman's Landing is an important step forward in bringing the project into fruition. It also reduces the risk of unnecessary capital and operating costs being incurred".

With these two important items completed the Company is now moving into a phase of more detailed engineering and planning. This work includes interaction with the major equipment suppliers and engineers, Queensland government bodies including the DIP, GPC, GEIDB and QR as well as with suppliers of auxiliary plant equipment.

Euro Forming Services GmbH ("EFS")  
**50% Boulder Steel Limited**

During the June quarter, EFS's total revenue was €3,446,388, up 23.4% from €2,792,390 for the three months to March 2010, while sales have increased by 64.5% since the end of the

June quarter 2009. This further improving performance demonstrates the core values of the EFS businesses and technology.

This strong recovery, in the wake of the global financial crisis, is due to EFS management utilising its technology well, implementing the right strategy and taking proper measures, whilst there was severe impact on the European automotive industries. The current strength of the German economy, particularly the automotive sector, leads management to expect sustainable activity levels in the future.

Development of EFS revenue during the last four quarters.

3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010
€ 2,389,858	€ 2,760,378	€ 2,792,390	€ 3,446,388
+14.10%*	+15.50%*	+1.20%*	+23.42%*

\* Change on previous quarter

#### Arabia for Business Strategies LLC ("ABS") Joint Venture

During the quarter the Company finalised the basis of its joint venture activities with ABS with the signing of the third framework agreement in Riyadh, Saudi Arabia in June. The agreement formed the final component of the Memorandum of Understanding of 25 May 2009 and permits the parties to progress their strategic partnership and implement the core vision concepts in a co-ordinated manner.

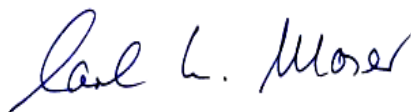
The purpose of this agreement established the principles for the joint acquisition of raw material resources related to iron and steel production in Australia either through direct investment in raw material resources or through the acquisition of equity in companies owning such resources. It also sets out the parties' understanding of their respective capabilities relevant to the raw material resources acquisitions and the procedural matters to be followed in the acquisition process.

This agreement provides the Company with a free carried interest of 5% in all raw material projects which are successfully acquired in Australia by the joint venture.

#### Statement of Consolidated Cash Flow and Changes in Interest in Mining Tenements

*(The reports are attached.)*

Yours faithfully  
Boulder Steel Limited



Carl U Moser  
Director & General Manager

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Boulder Steel Limited

ABN

78 009 074 588

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	(185)	(1,881)
(c) production	-	-
(d) administration	(321)	(1,856)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(231)
	(498)	(3,945)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
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 (provide details if material)	-	-
	-	-
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(498)	(3,945)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(498)	(3,945)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	142	3,338
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)	(6)	(176)
<b>Net financing cash flows</b>		136	3,162
<b>Net increase (decrease) in cash held</b>		(362)	(783)
1.20	Cash at beginning of quarter/year to date	1,447	1868
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,085	1,085

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**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

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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

Amount available \$A'000	Amount used \$A'000

+ See chapter 19 for defined terms.

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	100
4.3	Production	-
4.4	Administration	350
<b>Total</b>		<b>450</b>

**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	1,085	1,447
5.2 Deposits at call		-
5.3 Bank overdraft		-
5.4 Other (provide details)		-
<b>Total: cash at end of quarter</b> (item 1.22)	1,085	1,447

**Changes in interests in mining tenements**

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

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

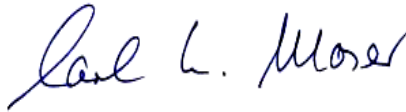
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	506,199,352	506,199,352		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,425,446	1,425,446		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	8,650,000 265,345,755	- 265,345,755	<i>Exercise price</i> 20c 10c	<i>Expiry date</i> 31-03-2011 30-3-2012
7.8 Issued during quarter				
7.9 Exercised during quarter	1,425,446	1,425,446	10c	31-03-2012
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2010  
Director

Print name: Carl U Moser

## 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 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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