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Manager of Company Announcements
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4th of August, 2008

Dear Sirs,

Preliminary estimates of indicated resources in Ecuador and Chile

Attached is an announcement relating to progress in the Company's projects in Ecuador and Chile.

Yours faithfully,
South American Iron & Steel Corporation Limited

Franco Belli
Managing Director

PRELIMINARY ESTIMATES OF INDICATED RESOURCES, ECUADOR & CHILE

1. Manuela – La Tola 4, Ecuador

As previously reported, the drilling program illustrated below is complete and the 500 samples have been prepared for assay. While those results are awaited, calibration of field estimates with laboratory analyses of valuable heavy mineral (VHM) content has provided sufficient confidence to calculate an inferred resource.

The results of initial analyses from the northern sector (which includes Manuela and La Tola 4 concessions, and which is geologically homogeneous on a scale of metres) are shown in Table 1. The average VHM content was almost 7%, and this fraction contained 51.7% Fe, 11.9% TiO₂ and 0.41% V₂O₅.

Field estimates were based on a combination of magnetic properties and petrography analysis. This yielded consistent and reproducible results. Correlation of depositional layers to specific modes of deposition such as foreshore and backshore environments shows a consistent relationship between VHM content and sedimentary origin, and further assists in the process of resource estimation.

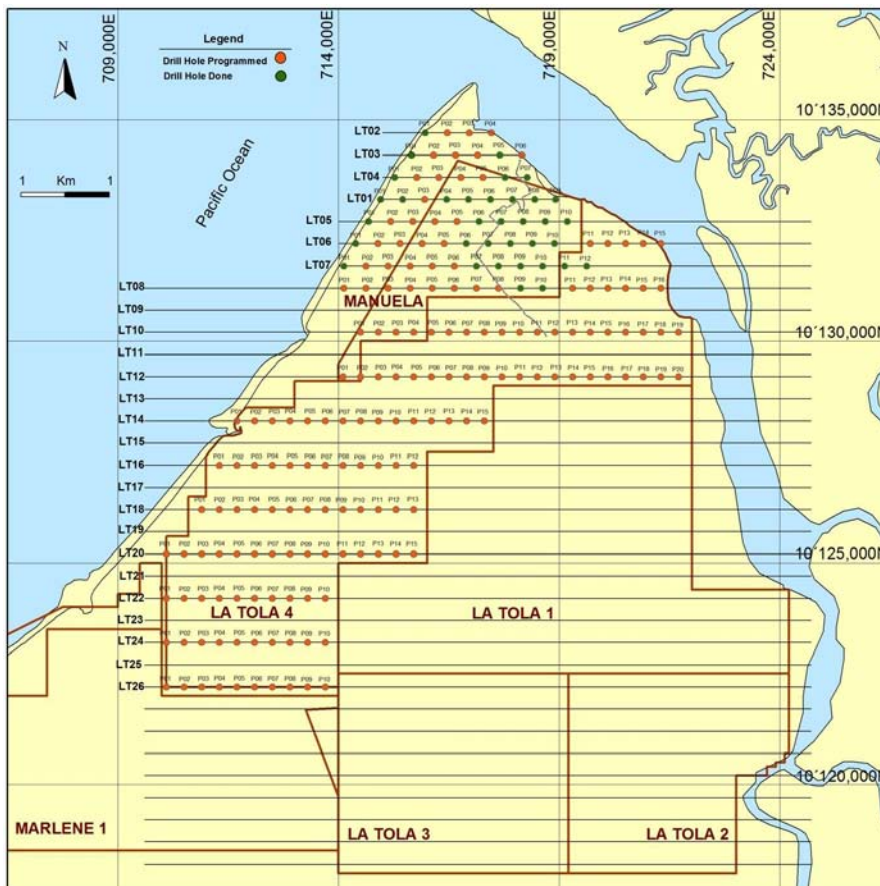


Figure 1. Manuela and LaTola - 4 drilling locations

Product	WT% of Tot HM	Assay %'s				
		Fe	TiO ₂	SiO ₂	Al ₂ O ₃	V ₂ O ₅
MT - 1.2						
H/S Conc	3.75	54.7	16.1	2.74	1.68	0.43
Mid	2.52	52.0	12.7	7.21	2.30	0.42
Mag 1 Conc	3.07	49.5	26.1	1.90	0.69	0.42
Mag 2 Conc	0.41	46.4	20.9	5.97	1.82	0.36
Sub Total	9.75	52.0	18.6	3.76	1.53	0.42
IJ - 001						
H/S Conc	7.24	50.8	24.8	0.99	0.92	0.46
Mid	1.68	50.8	20.7	2.92	1.51	0.48
Mag 1 Conc	6.02	48.0	27.7	1.16	0.62	0.45
Mag 2 Conc	1.22	46.6	28.0	1.56	1.10	0.42
Sub Total	16.16	49.4	25.7	1.30	0.88	0.45
M - 01						
H/S Conc	3.86	54.7	15.3	3.56	1.85	0.43
Mid	2.57	49.9	11.1	10.40	3.05	0.40
Sub Total	6.43	52.4	13.3	6.81	2.41	0.41
M - 002						
H/S Conc	3.96	54.8	13.1	4.45	2.16	0.44
Mid	2.83	47.3	10.2	12.7	3.79	0.38
Sub Total	6.79	51.7	11.9	7.9	2.84	0.41

Table 1. Assay results of four samples from the northern sector

This preliminary resource estimate is restricted to the uppermost 4 metres; even though iron-sand enrichment is known to extend more deeply over some sections. The resource is also open along depositional strike (to the SW into the Marlene-1 concession and beyond) and updip into La Tola-1.

Based on an estimated 400 million tonnes at 7% VHM, this amounts to an inferred resource of 28 million tonnes comprising:

Fe	14,476,000 t
TiO ₂	3,332,000 t
V ₂ O ₅	114,800 t

Upgrading to indicated resource status is anticipated once the assays of the 500 samples are complete.

2. Putú, Chile

Further fieldwork in the Putú area revealed local extensions of the paleodune sands to the east of the previously existing exploration concessions. Applications were filed for additional concessions AUS 16 - 20 shown on the map below, and these have now been awarded.

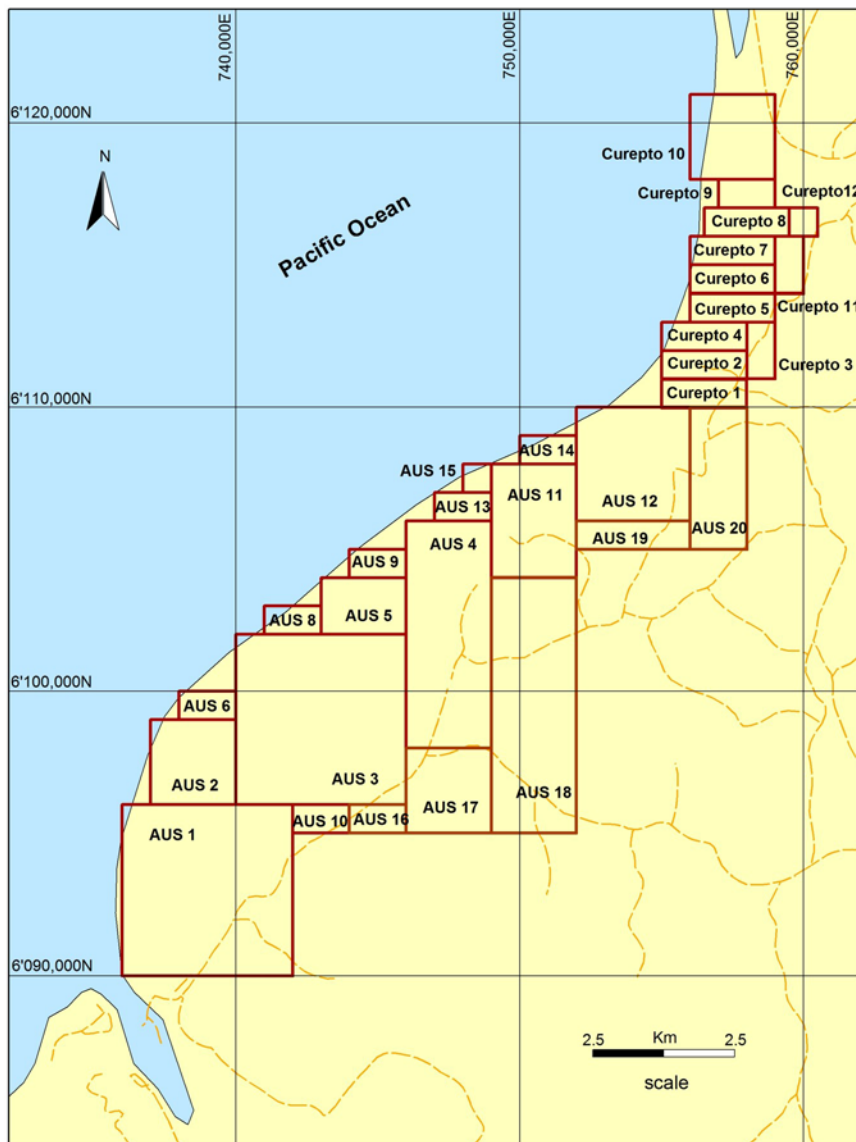


Figure 2. Putú Concessions

Six representative samples from Putú sent to Titanatek were separated into magnetic fractions. The Mag-1, Mag-2 and Mag-3 fractions of all six samples were combined (amounting to 18.86% of the combined bulk samples), and processed through the VHM cleaning circuit.

The final product comprised 5.79% by weight of the combined samples, and contained 55.03% Fe, 11.26% TiO₂ and 0.53% V₂O₅. Applying these percentages to the estimated total



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amount of sand in the three prospect areas shown in the table below provides an inferred resource of 193.29 million tonnes.

PROSPECT	AREA (ha)	THICKNESS (m)	SAND IN PLACE (t)	GRADE (%)	PRODUCT (t)
Trinchera	1466	60	1,363,380,000	5.79	78,939,702
Katy	1755	40	1,151,280,000	5.79	66,659,112
Plano	4767	12	823,737,600	5.79	47,694,372
Total					193,293,186

Table 3. Dimensions, grade and estimated resources, Putú.

The estimated metal content of this resource is:

Fe	106,369,130 t
TiO ₂	21,764,791 t
V ₂ O ₅	1,02,4450 t