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Manager of Company Announcements
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7th August, 2008

Dear Sirs,

Amendment to preliminary estimates of inferred resources in Ecuador and Chile

Attached is an amended 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 INFERRED RESOURCES, ECUADOR & CHILE

1. Manuela – La Tola 4, Ecuador

As previously reported, the drilling program illustrated in Figure 1 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 earlier analyses conducted in 2006 on samples from the northern sector (which includes Manuela and La Tola 4 concessions, and which is geologically homogeneous on a scale of km along strike) are shown in Table 1. The heavy mineral content ranges from 6.43% to 16.16%, and for the purpose of inferred resource calculation a conservative VHM content of 7% was used.

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 at the inferred resource level.

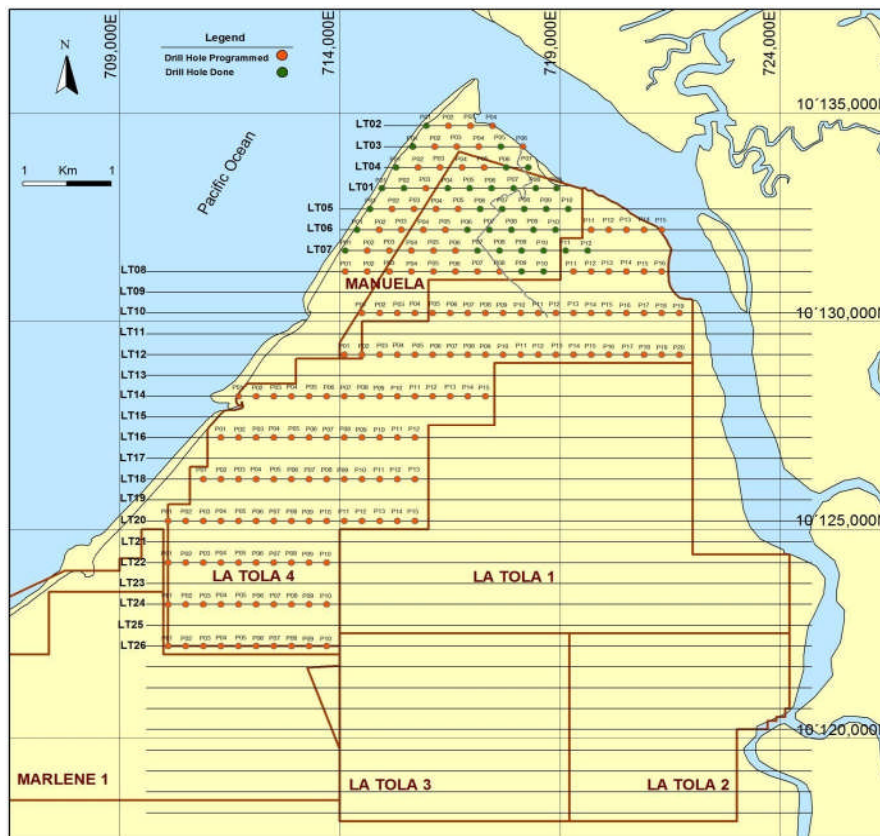


Figure 1. Manuela and LaTola 4 drilling locations

Product	Weight Tot HM	Assay %				
		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. H/S Conc refers to the highest magnetic susceptibility corresponding to the most pure magnetite; Mid is a component of H/S; Mag 1 and 2 refer to progressively less pure iron-bearing fractions.

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. Covering an area of 6,250 hectares in the Manuela and La Tola 4 concessions, this amounts to an iron sand volume of 250 million cubic metres. Allowing for a density factor of 1.6 this corresponds to an inferred resource of approximately 400 million tonnes of sand at 7% VHM, equivalent to 28 million tonnes of concentrate.

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.

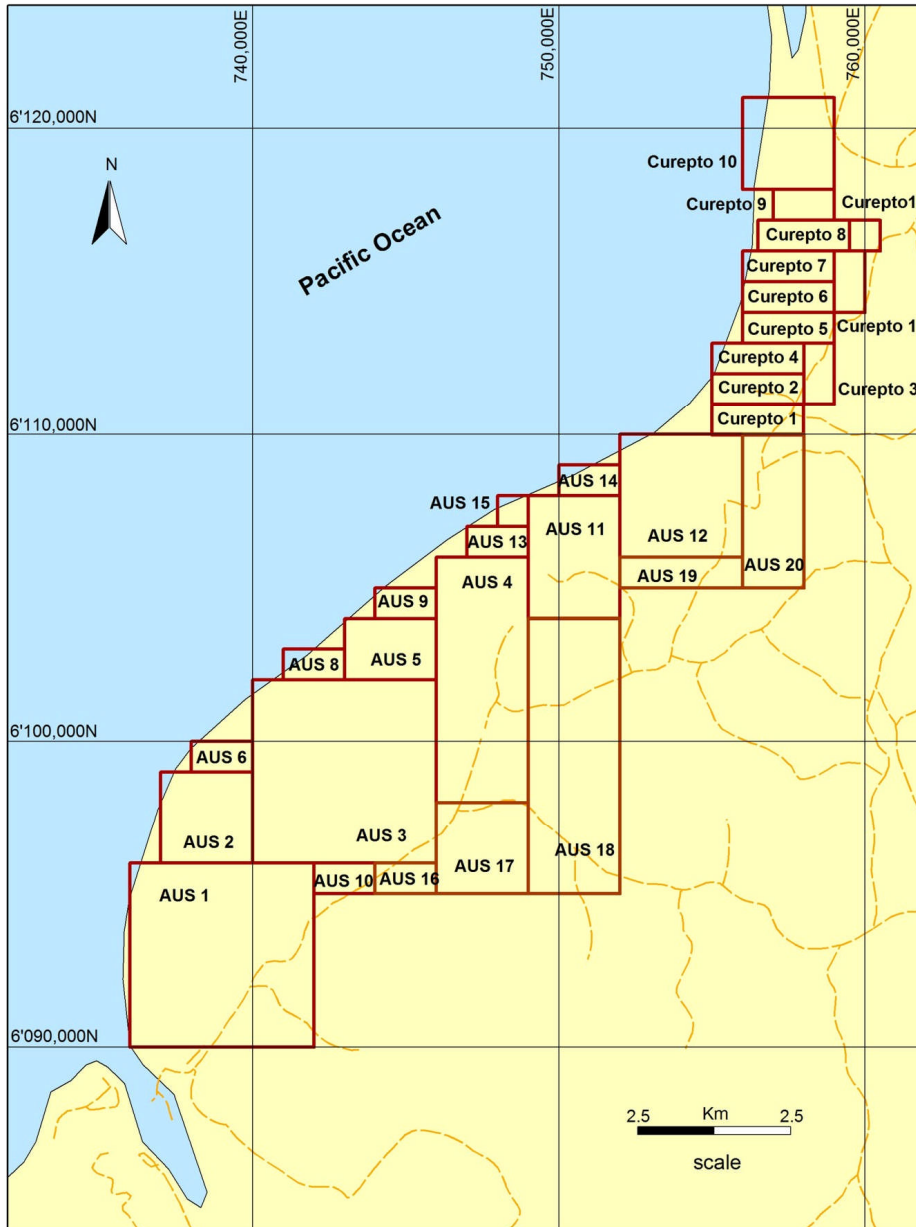


Figure 2. Putú Concessions

Six representative samples from Putú recently 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 from the cleaning circuit comprised 5.79% VHM by weight. Applying this VHM percentage to the estimated total amount of sand in the three prospect areas shown in the table below provides an inferred resource of 193 million tonnes.

PROSPECT	AREA (ha)	THICKNESS (m)	SAND IN PLACE (t)	GRADE (%)	INFERRED RESOURCE (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 2. Dimensions, grade and estimated inferred resources, Putú.

Consent of a Competent Person

The information in this Announcement that relates to preliminary estimates of inferred resources in Ecuador and Chile is based on information compiled by Mr. Bill Klückow, who is a Fellow of the South African Institute of Mining & Metallurgy, a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX from time to time.

Mr Bill Klückow is an Executive Director of South American Iron & Steel Corporation Limited.

Mr Bill Klückow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

I, Bill Klückow consent to the inclusion in the report of the matters based on my information in the form and context in which it appears.



Bill Klückow
Executive Director
Dip. Ext. Met. & Min. Proc.
MDP(UDW). FSAIMM.