



Manager of Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

9th October, 2008

Dear Sirs,

Aguas Claras Sale Agreement

Attached please find a copy of correspondence from Shoreline in relation to the Sale of Aguas Claras Agreement announced on the 10th April, 2008.

Yours faithfully,

South American Iron & Steel Corporation Limited

Franco Belli
Managing Director

3 October 2008

By facsimile 9252 5638

The Directors
South American Iron and Steel Ltd
Level 10, 8-10 Loftus St
SYDNEY NSW 2000

Dear Sirs

The Directors of Shoreline Minerals Ltd ("Shoreline") are pleased to advise that Shoreline has entered into an agreement with Outotec (USA) Inc ("Outotec") to provide testing and process engineering services for the Aguas Claras project in Chile. Outotec is a leading global provider of process solutions, technologies & services to the mining and metallurgical industries. The following stages are proposed:

Stage 1 – the generation and shipping of a representative 5 tonne bulk sample to Outotec Jacksonville.

Stage 2 - the development of the metallurgical flowsheet and the production of a concentrate from the 5 tonne bulk sample. The concentrate will then be sent to Outotec Germany for reduction and smelting tests.

Stage 3 - subject to the results of Stage 2, provides for Outotec to undertake a Bankable Feasibility Study required to enable Shoreline to obtain funding to develop the Aguas Claras project.

Stage 4 - provides for Outotec to undertake all engineering, procurement, construction and management services ("EPCM Services") required to bring the Aguas Claras project into production.

Stages 1 & 2 are expected to be completed by late December 2008 or early January 2009.

The Directors of Shoreline have decided to defer the proposed Initial Public Offering ("IPO") and application for listing on Australian Securities Exchange Ltd ("ASX") until March 2009. The decision to defer the IPO was based on a number of factors including:

1. The significance of the Outotec agreement and timing of results from Stages 1 & 2;
2. The potential to complete Stage 3 (or at a minimum a Pre-Feasibility Study) by March 2009, and therefore the ability to provide more information to investors in relation to the proposed IPO;
3. The revised forecast completion date of the Work Program i.e. mid to late November; and
4. Current world wide share market volatility and negative sentiment.

SHORELINE MINERALS LTD

www.shorelineminerals.com

Shoreline continues to work towards commencement of initial production from the Aguas Claras project in the latter part of the 1st quarter of 2010.

The change to the forecast completion date of the Work Program will require an amendment to the settlement terms in Clause 2.1(b) of the Sale Agreement dated 10 April 2008 between our companies. We look forward to finalizing the required amendment as soon as possible.

Yours faithfully



John Shepherd
Managing Director