

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

A.C.N 060 319 119

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of South American Iron & Steel Corporation Limited, A.C.N 060 319 119 (the “Company”), will be held at the Bowlers’ Club, The York Suite 2, Level 2, 99 York Street, Sydney NSW 2000 on Friday 4th September 2009 commencing at 9.30am for the purpose of transacting the following business.

AGENDA

Resolution 1 - Approval of Issue of Shares for Share Purchase Plan Underwriting

To consider and, if thought fit, pass the following ordinary resolution

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves the issue of up to 20,512,821 fully paid ordinary shares to Patersons Securities Limited (“Patersons”) or persons nominated by Patersons pursuant to the Underwriting Agreement dated x July 2009 in respect of the Company’s Share Purchase Plan announced on 30th July 2009.”

Voting Exclusion:

The Company will disregard any votes cast on this resolution by Pattersons or any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, including any associate of any of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Ratification of Prior Share and Option Issues (ordinary resolution)

To consider, and if thought fit, pass the following ordinary resolution:

“That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of 17,964,243 fully paid ordinary shares and 2,573,750 options, details of which are respectively set out in the explanatory notes to Resolution 2 in the notice of this meeting.”

Voting Exclusion:

The Company will disregard any votes cast on this resolution by:

- those allottees to the issue of 17,964,243 fully paid ordinary shares and 2,573,750 options, (listed in the Explanation of Resolution 1); and
- any associate of those allottees.

However, the Company need not disregard a vote if:

- it is cast by an allottee as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by an allottee chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval of Future Placements (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the placement by Directors of a number of shares up to 15% of the Company’s issued shares immediately following the issue of shares under the SPP (including any shares issued pursuant to Resolution 1) by one or more allotments within 3 months after this meeting to sophisticated and professional investors priced at not less than 7.8 cents”.

Voting Exclusion:

The Company will disregard any votes cast on this resolution by:

- a person who may participate in the proposed issue; and
- any associate of a person who may participate in the proposed issue.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATION OF THE RESOLUTIONS

Explanation of Resolution 1 - Approval of Issue of Shares for Share Purchase Plan Underwriting

On 30 July 2009 the Company announced a Share Purchase Plan (SPP) and advised that it was proposed that Patersons Securities Limited (“Patersons”) will underwrite all or part of the issue subject to sub-underwriting demand. Patersons intends to underwrite a shortfall of up to 20,512,821 shares under the SPP. ASX Listing Rule 7.1, Exception 15 provides to the effect that issues of securities under a Share Purchase Plan are not subject to the cap on the number of equity securities (shares and options) that a company may issue within a 12 month period without shareholders’ approval. However issues to the underwriter of a Share Purchase Plan do not have the benefit of this exemption.

In order to restore the Company's 15% placement capacity in respect of shares issued pursuant to the Underwriting Agreement for the SPP, it is proposed that the Shareholders approve the issue of up to 20,512,821 shares for that purpose. Approval provides the Company with flexibility in capital management and allows the Company the flexibility to make further share issues.

The following additional information is provided as required by the ASX Listing Rules

- (i) The shares will be issued within three months after this meeting.
- (ii) The issue price will be 7.8 cents per share being the same price as for the SPP
- (iii) The allottees will be Patersons or persons nominated by Patersons in accordance with the Underwriting Agreement.
- (iv) The shares will be ordinary fully paid shares in the Company ranking equally in all respects with the Company's current issued shares.
- (v) The funds raised will be for working capital.
- (vi) It is expected that the shares will be allotted on 4th September 2009

Explanation of Resolution 2 - Ratification of Prior Share and Option Issues

ASX Listing Rule 7.1 imposes a cap on the number of equity securities (shares and options) that a company may issue within a 12 month period without shareholders' approval. The cap is 15% of the Company's capital at the beginning of the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholders' approval under Listing Rule 7.1 is treated as having been made with shareholders' approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1

During the past 12 months, the Company issued the following equity securities within its 15% cap:

Date of Issue	Shares	Options
13 th February 2009#	5,147,500	2,573,750
26 th May 2009*	12,816,743	
	17,964,243	2,573,750

issue price of \$0.20 per share with, for each two shares, one attaching unlisted option, at an exercise price of \$0.50 and expiring on 12th February 2011.

*issue price of \$0.075 per share

The issue of the aforementioned equity securities did not breach Listing Rule 7.1.

In order to restore the Company's 15% placement capacity in respect of the issue of the above equity securities, it is proposed that the Shareholders ratify the issue of 17,964,243 ordinary shares and 2,573,750 options. Ratification provides the Company with flexibility in capital management and allows the Company the flexibility to make further share issues.

As required by ASX Listing Rule 7.5 it is advised that the allottees of the above equity securities were:

Allottees	<u>13th February 2009 Issue</u>	
	No. of Shares	No. of Options
The Linden Group Nominees P/L	250,000	125,000
Astron Limited	3,872,500	1,936,250
Bermate Pty Ltd	50,000	25,000
Dianne Sue Campbell	312,500	156,250
Monk Nominees P/L	100,000	50,000
Martin Place Sec. Super Fund P/L	162,500	81,250
Beresford Corporate P/L	125,000	62,500
Ecometrix P/L	150,000	75,000
Mokhini P/L - ATF Hudson Superfund	125,000	62,500
Total:	5,147,500	2,573,750

26th May 2009,

Allottees	No. of Shares
Yorke Educational Centre P/L	300,000
La Huye P/L	200,000
Anthony Stanbury Hull	300,000
Mark Papendieck	1,333,333
Michael Robert Bellamy	400,000
Jianchun Yin	400,000
Twynam Agricultural Group P/L	3,333,333
Warren Edward Nutt	400,000
Jason Rich	300,000
Michael Thomas Edgerton	250,000
Silverlining Productions P/L	666,666
AgCentral P/L	2,680,711
Linkenholt P/L	650,000
Martin Place Securities Staff Superannuation Fund P/L	432,700
WHI Securities P/L	300,000
Monk Nominees P/L	290,000
Butler & Co. Architects P/L	130,000
Bermate P/L	150,000
Earglow P/L	300,000
Total:	12,816,743

The funds raised from the above issues were used as working capital.

Explanation of Resolution 3 - Approval of future placements

Despite the SPP the Company can make effective use of additional working capital. The Directors are of the view that it will be of significant benefit to the Company if its exploration effort is increased in the coming 12 months. It is the Directors' view that further drilling, assays, metallurgical testwork and geotechnical work needs to be done to upgrade and possibly increase the Company's current Inferred Resource. Additional employees and contractors will be required to get this work done and the Directors prefer that funding for this work be to hand before commitments are made.

If approved this resolution would enable Patersons to place up to 15% of the Company's issued shares (calculated after the SPP and Underwriting are completed) within in the 3 months after this meeting. The price of these possible placements is not less than 7.8 cents.

The proposed allottees are not yet known but may include institutional investors or industrial consumers or traders interested in offtake of the metals contained in the Resources delineated by the Company to date and who otherwise satisfy the criteria allowing the Company to issue shares without a disclosure document.

The shares to be issued will be ordinary fully paid shares ranking equally in all respects with the Company's current issued shares. ASX quotation will be sought for the shares which are issued under the authority of this Resolution. It is anticipated that a number of allotments will be made progressively. The funds will be used as working capital.

The effect of this approval will be that the Company's capacity to issue additional shares in the next 12 months up to 15% of its capital in accordance with ASC Listing Rule 7.1 will not be diminished by the proposed placements.

Issued by direction of the Directors of South American Iron & Steel Corporation Limited

Kenneth Lee
Company Secretary
Dated 5th August 2009

PROXY FORM

The Company Secretary
South American Iron & Steel Corporation Limited
Registered Office Address: Suite 2, Level 10,
8-10 Loftus Street,
Sydney NSW 2000

Facsimile: (02) 9252 5638
Email: Kenneth.lee@saironsteel.com

I/We (name of shareholder)

of (address)

being a member/members of South American Iron & Iron Corporation Limited HEREBY APPOINT

(name)

of (address)

and/or failing him (name)

of (address)

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the Bowlers' Club, The York 2 Suite, level 2, 99 York Street, Sydney NSW 2000 on 4th September 2009 commencing at 9.30am and at any adjournment of the meeting.

If you do not wish to direct your Proxy how to vote, please place a mark in the box

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of the resolutions before the meeting. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority of a poll is called on the resolution.

If you do wish to direct your Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

		For	Against	Abstain
Resolution 1	Issue of Shares for SPP Underwriting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Share and Option Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Future Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

This proxy is appointed to represent _____% of my voting right, or it 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ shares

If the shareholder is an individual:

If the shareholder is a company:

Signature: _____

Director/Sole Director and Secretary

Dated

Director/Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, by post, facsimile or email to the respective addresses stipulated in this proxy form.
6. If the proxy form specified a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - a. The proxy need not vote on a show of hands, but if the proxy does so the proxy must vote that way; and
 - b. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - c. If the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - d. If the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.