

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

November 6, 2009

(ASX:SAY)

Dear Sirs,

Amended Quarterly Activities Report for the period July 1st to September 30th 2009

Attached is the Company's Amended Quarterly Activities Report for the period July 1 to September 30, 2009. A reference to a report prepared by Shoreline Minerals Ltd (SML) on resources at the Aguas Claras Project under option to SML has been removed.

Yours faithfully,
South American Iron & Steel Corporation

Dr Richard Haren
CEO

AMENDED QUARTERLY ACTIVITIES REPORT

For the period July 1 to September 30, 2009

Highlights

- The Company completed a successful Share Purchase Plan (SPP) underwritten by Patersons Securities Limited, which raised \$1.6 million prior to costs.
- Quotations have been received to acquire airborne geophysical data over the Putu project area in Chile, the survey will start during the week beginning Nov 2nd.
- The aeromagnetic and radiometric data will assist the Company in fast-tracking a JORC resource at Putu in an effective and efficient manner.
- Management are also re-assessing the potential of the Putu Plano project where an inferred resource of 823 million tonnes was announced in August 2008.
- Discussions with local drilling contractors for the Putu project are at an advanced stage.
- Discussions with Shoreline Minerals Limited (SML) regarding Aguas Claras are continuing (see below).
- The new management team has continued to negotiate with Ecuadorian Government officials to facilitate a positive outcome with respect to the Ecuadorian based projects.
- The Ecuadorian Government has determined that it will provide details of the new mining regulations in early November, even though there is scepticism from the Ecuadorian Mining Chamber.
- The Esmeraldas Laboratory is now actively processing samples from Chile and Ecuador.
- The 10 tonne per hour Pilot Processing Plant has been assessed and will be ready to process bulk iron sands samples during the December quarter.
- The management team are also in communication with well respected geologists in South America assessing further opportunities to assist in growing shareholder value.

Corporate

Directors were pleased that the Company was able to raise \$1.6 million prior to costs during the quarter, with underwriting supplied by Patersons Securities Limited. This money will be used for working capital and to assist in data acquisition at the Putu project in Chile as well as provide the funds to begin a detailed drilling program to provide measured and indicated resource figures for the high grade parts. Interpretation of the magnetic and radiometric data should facilitate a correlation that will define the higher grade zones within the extensive Putu concessions. Two companies are in negotiation with the management team, both are interested in signing an agreement that would provide an off-take for the Company's iron concentrates.

Negotiations with Ecuadorian Government Mining officials have continued throughout the quarter without any concrete results, other than to say, they now understand we have a real

commitment to Ecuador and want them to assess our proposal as quickly as possible. One hurdle is the fact that the mining regulations have not yet been finalised by the Government.

Chile

The aeromagnetic and radiometric data acquisition contract over the Putu project in Chile has been finalised and flying will commence during the week beginning November 2nd. Data will be acquired at 200m line spacing at a height of 100m above the ground. Preliminary images of the data are expected within three or four weeks. These data after interpretation and correlation will provide valuable information on the accumulation of iron rich sands. What is intended is to define the higher grade regions so that measured and indicated resources can be developed by drilling in an effective and efficient manner.

The data will enable a detailed analysis of the Plano project which is a part of the broader Putu project where an inferred resource of 823 million tonnes of iron sands (to 12 metres depth) grading 5.79% Valuable Heavy Mineral was announced in August 2008. The development of a measured resource will enable the Company to initiate a scoping study and a pre-feasibility study which will determine mining costs, recovery and potential sales cash flow.

To define a measured and indicated resource the Company will need to drill more holes at Putu, so in-depth negotiations with local drilling contractors are continuing. The directors are committed to getting the best possible driller at the best possible price so that we can move forward in an orderly and sustainable manner.

Discussions with Shoreline Minerals Ltd regarding the option agreement over Aguas Claras are continuing and it is expected that these negotiations will be concluded during the next quarter.

Ecuador

Negotiations with the Ecuadorian Government are continuing and the new mining regulations are expected to be published on November 4th. The local Mining Chamber is not confident that the Government can keep to this date. The Company remains committed to Ecuador but the inability of the Government to determine outcomes is frustrating. The management team has put several proposals to the new Undersecretary for Mines and is awaiting a decision.

The iron sands processing laboratory at Esmeraldas is processing drill samples from Chile and Ecuador and the Pilot Plant has been made ready so it can be used to test bulk samples from Chile (and possibly Ecuador) during the December Quarter.

General

Discussions with leading geoscientists in South America have been initiated to allow the management team to assess new opportunities as they arise, with the idea of growing shareholder value.

Forthcoming Activities

- Aeromagnetic and radiometric data will be interpreted and images reviewed.
- Drilling program will be initiated at Putu.
- Ground geophysics will be acquired at the Maullin project area south of Putu.
- Drill samples and bulk samples will be processed through the Company's laboratory and Pilot Plant.
- Ecuadorian Government will continue to be asked for an outcome to assist the Company in its goal to explore for iron sand resources along the coastline.

The information in this report that relates to exploration results and mineral resources are based on information compiled by Dr. Richard Haren who is a corporate Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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. Dr Richard Haren is a self employed consultant who is retained by SAY as MD and CEO, he has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.