

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

November 30, 2009

(ASX:SAY)

Dear Sirs,

Highlights

- **VERY ENCOURAGING RESULTS DERIVED FROM THE ANALYSIS OF LATEST PUTU BULK SAMPLE**
- **REVIEW OF PREVIOUSLY REPORTED ASSAY DATA RESULTS IN INCREASED GRADES IN SOME AREAS**

Putu, Chile

The Directors of South American Iron and Steel Corporation Limited (SAIS) are pleased to announce that a bulk sample taken from the seaward edge of the Katy South region of the Putu Project (100% SAIS) which is north of Constitucion in Chile has provided encouraging assay results for Iron (Fe), Titanium (TiO₂) and Vanadium (V₂O₅) with low Silica (SiO₂). The sample was taken in October 2009 from the region marked with a Cross (X) in Figure 1.

Laboratory testing of this latest bulk sample by Titanatek Pty Ltd in Australia was completed in late November with significantly less processing difficulty compared to some previous samples. Some previous samples have required a light grind to breakdown composite siliceous particles, however this has not been required on the most recent sample. The standard processing method developed for SAIS was implemented and resulted in a mass yield to final concentrate Valuable Heavy Mineral (VHM) of 7.6%. The concentrate assayed **%Fe 58.3, %TiO₂ 11.21, %V₂O₅ 0.53 and %SiO₂ 2.46**, a grade which was easily achieved (see Table 1).

Previously, in July 2008 a bulk composite of six Putu samples was analysed by Titanatek Pty Ltd and showed that after the initial simple beneficiation and processing using the standard SAIS processing method the final mass yield to VHM product was 18.86% but assayed only **%Fe 31.81, %TiO₂ 6.66 %V₂O₅ 0.26 and %SiO₂ 29.30**. The subsequent application of a light grind and secondary processing resulted in a reduced mass yield to final concentrate of 5.79% with higher assays of **%Fe 55.03, %TiO₂ 11.26 %V₂O₅ 0.53 and %SiO₂ 4.89**. Silica content was reduced from 29.30% to under 5%.

These latest results are extremely encouraging demonstrating that a high grade (58.3% Fe) concentrate can be produced at a high yield and significantly lower silica (SiO_2) content of 2.46% without having to resort to a grinding and secondary cleaning step. The yield of Fe to VHM concentrate has increased by approximately 25% over the results achieved from the composite bulk sample processed and reported in 2008.

It is important to note that the VHM grade of 7.60% is effectively a yield of final iron concentrate whilst those of other iron sands projects around the globe are often quoted as 'Fe in ground grade' without any recognition of the mineral recoveries.

These new results show that there are regions within the Putu Project area that are capable of providing high quality Iron-Titanium-Vanadium concentrates with low Silica that can be beneficiated in a simple circuit and be suitable for sale to smelters in Asia and the Americas.

These results demonstrate that higher grades of Fe are most likely present in the seaward edge of the paleodune/escarpment regions. The intense magnetic anomalies highlighted along the seaward edge of the Trincheras area shown in the recent preliminary magnetic geophysical program data support this finding.

Our geological team believe that the geophysical data being acquired at present will be able to discriminate between areas of high and lower Fe concentrations in sands providing the ability to define "hot spots" for follow up sampling and drilling.

Correction of typographical errors in some earlier announcements

It has come to the attention of the new management team that a number of typographical errors occurred in previous announcements and presentations. While these are unfortunate they have also in some instances disadvantaged the projects perceived viability by incorrectly decreasing the reported VHM mineral content, usually by a factor of ten.

Errors occurred in the March 2009 Activities Report (which was amended and re-submitted on May 1st). The average Titanium assays for PUH001 should be 4.8% and not 0.48% as was shown in the Table. In addition the table associated with PUC001 should show the average Titanium assays as 3.3% and not 0.33%. Obviously these higher Titanium grades add to the mineral credits in the VHM and a reduction by a factor of ten was erroneous and distressing.

An updated SAIS Presentation was announced on June 5th, 2009 which contained a re-used slide (Slide 16 of 28) that shows the inferred resource determined at Putu. The figures shown under % Fe in VHM and % Ti in VHM should be multiplied by 100 to get the correct results. A grade of 0.54% Fe should therefore become 54.0% Fe

These Tables will be amended to reflect the correct data if used again.

Yours sincerely



Dr Richard Haren
MD

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.

Further information

Call Dr Richard Haren

+61 418 943 874

www.saironsteel.com

richard.haren@saironsteel.com

Encls.

	Wt%	TOT Fe	TiO ₂	SiO ₂	Al ₂ O ₃	Cr ₂ O ₃	MgO	MnO	ZrO ₂	P ₂ O ₃
Mag 1	44.21	59.7	9.57	2.30	1.97	0.105	1.36	0.57	0.01	0.254
Mag 2	18.98	57.6	12.20	2.53	1.88	0.097	1.53	0.59	0.05	0.282
Mag 3	10.07	53.7	16.50	3.03	1.70	0.085	1.59	0.81	0.05	0.274
Total	73.26	58.3	11.21	2.46	1.91	0.099	1.44	0.61	0.03	0.265

	Wt%	Nb ₂ O ₅	V ₂ O ₅	SO ₃	CaO	K ₂ O	CeO ₂	LOI	U(ppm)	Th(ppm)
Mag 1	44.21	0.005	0.56	0.03	0.61	0.06	0.010	-2.68	28	15
Mag 2	18.98	0.007	0.51	0.03	0.64	0.06	0.014	-2.51	15	24
Mag3	10.07	0.009	0.46	0.02	0.70	0.07	0.014	-2.38	10	13
Total	73.26	0.006	0.53	0.03	0.63	0.06	0.012	-2.59	20	17

Table 1. Processing of Bulk Concentrate Sample - Nov 09

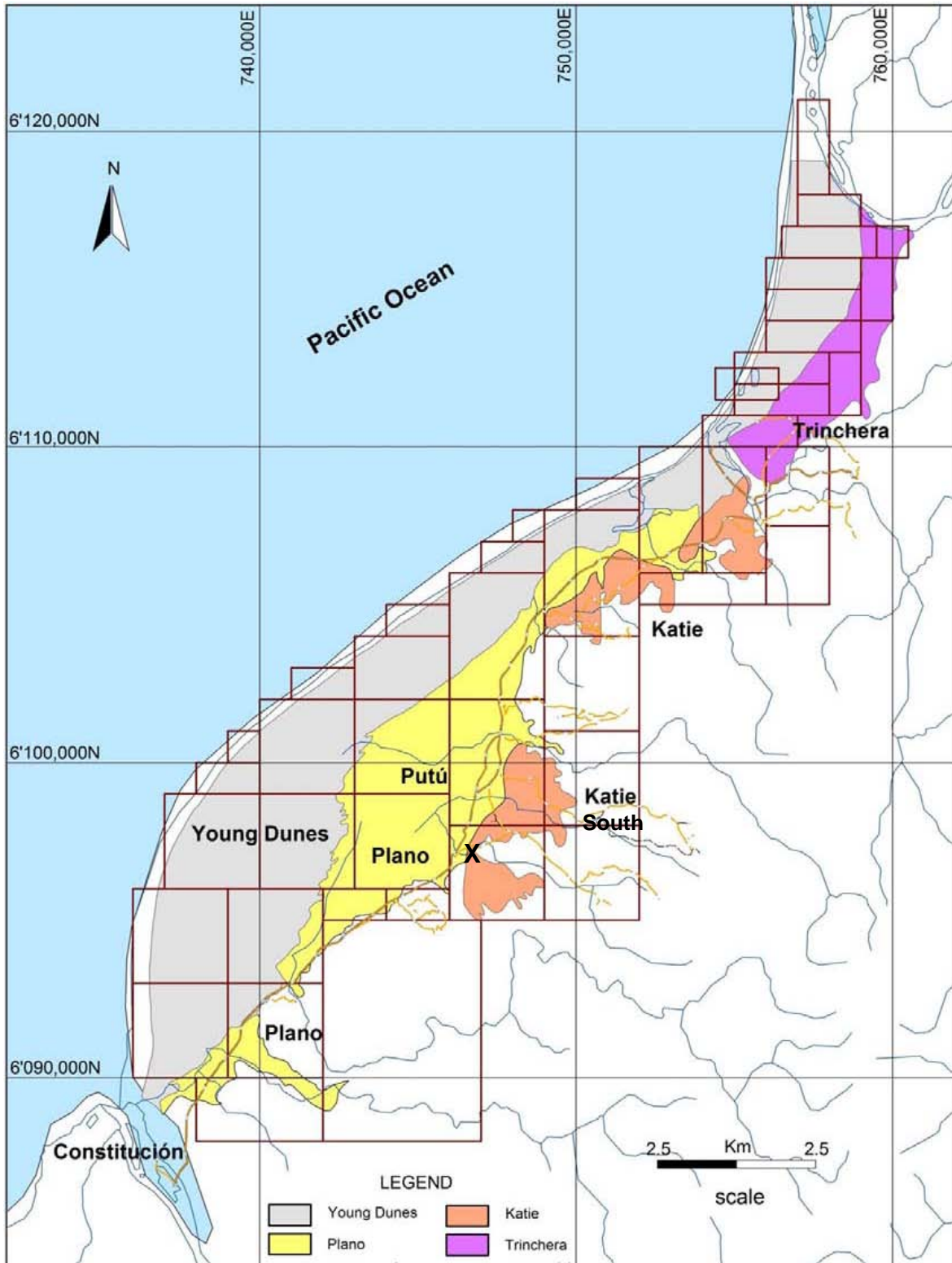


FIGURE 1. The Putu Project area showing the concession outlines and the major iron sand units, as well as where the October 2009 bulk sample was derived (X).