



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

(ASX: SAY)

March 29, 2010

Dear Sirs

Deed of Settlement (Aguas Claras Project) signed with Shoreline Minerals Limited

The Directors of South American Iron and Steel Corporation Limited (“**SAY**”) are pleased to announce that a Deed of Settlement regarding the acquisition of the Aguas Claras Project in Chile has been signed with Shoreline Minerals Limited (“**SML**”).

In 2008 SAY signed an Agreement with SML to facilitate the sale of the Aguas Claras Iron Sands Project in Chile. The original Agreement contained some onerous clauses and by late 2009 it was mutually agreed that the original Agreement was not commercially viable. Negotiations to reconfigure the Agreement led to a Deed of Settlement being signed on Friday March 26, 2010 and the execution of this Deed terminates all rights and liabilities under the 2008 Agreement.

The new Deed contains an Option which when executed facilitates the transfer of the shares in a Chilean Company, Inversiones Arenas Claras Limitada (IACL), a subsidiary of SAY to SML. The Chilean Company owns the Aguas Claras Concessions and a small parcel of freehold land 48.5 ha within the project area.

The terms of the settlement include an Option Fee of \$500,000 payable to SAY within seven weeks of the date of signing, and the transfer of 5.12 million SML Options to SAY. The SML Options entitle the holder to subscribe for and be issued one ordinary fully paid share in SML, ranking equally in all respects with the then issued shares in SML, on payment of A\$0.25 per option on or before 30 June 2013. If either the Option Fee or the SML Options are not transferred to SAY within seven weeks then SML has no further rights to the Aguas Claras Project or the freehold land and SAY has no rights to receive any further cash or shares from SML.

SML has until the April 30, 2011 or such later date or time as the parties consent in writing to List SML on the ASX or other recognised exchange. SML shall pay to SAY within 7 Business Days after Listing, A\$1,000,000 by way of reimbursement of SAY’s expenditures on the Concessions prior to the date of this Deed. If Listing does not occur, then SML has no further

rights to the Aguas Claras Project or the freehold land and SAY has no rights to receive further cash or shares from SML.

As well SML will, just prior to the Listing, issue up to a further 3,175,000 Shares in SML and the same number of 30 June 2013 Options which have an exercise price equivalent to the Listing price in SML.

The Directors of SAY believe that the above transaction is fair and reasonable for both parties and has valued the transaction at between \$4 million and \$11 million depending on the Listing price of SML with a preferred value of \$7.0 million. If the Listing is not finalised the SAY receives the asset back without any impediment.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Richard Haren', is enclosed in a thin black rectangular border.

Dr Richard Haren
Director

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 a non executive director and technical consultant, 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
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