

12th May 2010

Company Announcements Office
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Dear Sirs

Letter of Intent – Off Take Agreement

During recent weeks, discussions with Jiangsu Changqiang Iron & Steel Co., Ltd (“Jiangsu”) a steel mill in China have taken place with a view to establishing an off take agreement for iron ore from our Quince project. The Quince project has yet to report a JORC reserve.

Jiangsu has not yet undertaken due diligence of the Quince iron ore project and thus is unable to formalise its proposal.

The Company has received a letter of intent from that Chinese company advising that it would like to enter into an off take agreement for iron ore from SAY's Quince project.

Capital Raising

The capital raising referred to in SAY's request for the current suspension has not yet been completed. Activities in relation to that capital raising continue and the Company hopes soon to be in a position to lodge an announcement on or before 14th May, 2010 to end the suspension. The Company is not aware of any reason the ASX should not continue the suspension.

Yours faithfully



Kenneth Lee
Company Secretary and acting CEO