

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

20<sup>th</sup> May 2010

Dear Sirs,

**Share Placement, Conditional Funding Agreements and Assistance regarding Off Take Arrangements for Quince**

The Directors of South American Iron & Steel Corporation Limited (ASX: SAY) are pleased to announce the following:

**Share Placement**

SAY announces a placement raising \$942,392 before capital raising costs. The placement was made to sophisticated investors with 23,559,804 shares allotted at \$0.04 per share.

**Conditional Funding Agreements**

Additional Placement

An additional placement of up to \$1 million at \$0.04 per share will be made sophisticated investors subject to shareholder approval.

Loan Instruments

The Company is issuing loan instruments to sophisticated investors to the total value of \$557,608.

These loan instruments will automatically convert to fully paid ordinary shares at \$0.04 per share upon shareholder approval to:

- (a) the acquisition of the remaining 90% interest in the Quince Project; and
- (b) the conversion of the loan instruments to shares.

The necessary shareholder approvals will be sought at a General Meeting to be convened in late June 2010.

In the event that both the above approvals are not obtained from the shareholders, the funds received under the loan instruments will remain as a debt of the Company.

### **Update - Letter of Intent Off Take Agreement**

The Company is still in discussions with Jiangsu Changqiang Iron & Steel Co., Ltd ("Jiangsu"). One of the sophisticated investors involved in the share placement and loan instrument above is assisting us in negotiations with interested parties including Jiangsu, from whom we have received a letter of intent in relation to a proposed off take agreement.

Yours faithfully,



**Kenneth Lee**  
Company Secretary and acting CEO