

30 June 2010

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

Dear Sirs

## **GENERAL MEETING OF SHAREHOLDERS OF SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED**

### **Company Update – Chairman’s Address**

#### ***“Changes to the Board***

On 23<sup>rd</sup> April 2010, Mr. Mark Bethwaite was appointed non-executive director. Mark is an engineer with wide mining and commercial skills. He was Managing Director of two of Australia’s then largest mining companies – North Limited and Renison Goldfields Consolidated Limited for a total of eleven years. Mark is also the Chairman of Austral Gold Limited, which like SAY, has mining interests in Chile.

Since joining the Board, Mark has taken a lead role in preparations to drill the Quince iron ore deposit and has been elected Chairman of the company’s Audit, Nomination and Remuneration Committee.

As Chairman I feel the current Board now has the experience to evaluate and develop its South American projects.

#### ***Capital Raising***

In February this year, SAY entered into a Convertible Note Agreement where SAY is able to access \$500,000 from convertible notes. To date, SAY has drawn \$400,000 as working capital and to acquire the option to purchase Quince.

The Company had intended to raise capital through a rights issue for the acquisition and a thorough drilling program for Quince. This rights issue was deferred because the share market declined sharply as a consequence of the European economic crisis and the announcement of the Resource Super Profits Tax by the Australian Government.

The company has just completed a capital raising of \$1,500,000 to progress negotiations in China and to further assess the Quince iron ore deposit in Chile. Of that, \$942,000 was through share placements and the balance of \$558,000 was loans from sophisticated investors in China and Hong Kong.

There is also an agreement with those sophisticated investors to contribute a further \$1,000,000 through an additional share placement.

#### ***Iron Sands Deposits***

The Company’s sale of Aguas Claras, under a Deed of Settlement, did not come to fruition. The purchaser had difficulties in raising the required finance in the midst of the European financial crisis. The Company now retains all rights of the Aguas Claras project in Chile. Aguas Claras was independently valued at \$12.5 million and these concessions are being converted to exploitation status.

Concessions in Putú and Maullín are also in the process of being converted into exploitation concessions. They have been independently valued at \$12.4 million.

SAY is still pursuing these iron sand deposits in Chile with interest being shown from a party in China. A sample of the SAY's Putu iron sands have been requested and supplied for testing.

### ***Quince***

SAY currently owns 10% of the Quince iron ore deposit in northern Chile. The other 90% of Quince is owned by Hanwell S.A. a Chilean company. The principal business of this meeting is to allow SAY to acquire Hanwell's 90% interest in Quince. Other motions on the Notice of Meeting are aimed at ratifying funds already raised and securing additional funding to pursue the Company's activities.

Should those motions be approved by Shareholders, Quince will become this Company's most important asset, both in terms of its resource potential and the speed with which it can be brought to market.

I am pleased to announce that SAY intends to immediately embark on a drilling program at Quince. Preparatory activities to register the Company and obtain the necessary permits have already commenced.

The Company is poised, once motions to be put before this meeting are approved, to engage local earthworks and service companies to make site and other preparations. We will immediately engage a contractor with a suitable reverse circulation and diamond drilling rig to undertake a 2,500 metre drilling campaign at Quince.

The objective of this campaign is to expand the drilling pattern in the area previously explored, to test the continuity of mineralization and to achieve a low order resource estimation.

The budgeted cost of this program is just over AUD 800,000. Should further funding be secured, the program can be extended to a full 10,000 metres of drilling and associated prefeasibility study.

Shareholders and the ASX will be kept informed as this drilling program proceeds.

### ***Negotiations with Interested Counterparties***

The Company is in discussion with a number of parties concerning involvement in the Quince iron ore project in Chile. We have previously announced a letter of intent with Jiangsu Changqiang Iron & Steel Co. We have had further meetings recently with this company regarding SAY supplying it with iron ore from the Quince project.

Directors have had meetings with a number of other Chinese steel mills concerning Quince and Putú concessions in relation to iron ore supply and funding.

A number of avenues are currently being discussed for financing the Quince project. These include one or more of the following:

- Project financing with repayment from iron ore shipped.
- Upfront deposits to secure offtake arrangements.
- Equity investment in SAY.
- Equity investment into the Quince project.

Directors will consider a rights issue to shareholders if there is an improvement in market conditions.

The Directors continue to seek opportunities to add value to the Company. “

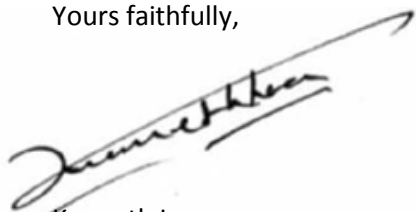
### Results of General Meeting

The Company advises that resolution 7 was withdrawn. All other resolutions put before the General Meeting were adopted on a show on hands.

In accordance to Section 251AA of the Corporations Act, in relation to each resolution proxy votes received were as follows:

Resolutions:	For	Against	Abstain	Discretion	
				Chairman's	Others'
1 Quince Project	33,862,086	0	0	44,571	0
2 Share Issue - Sophisticated Inv	15,318,249	110,051	0	44,571	49,269,319
3 Share Issue - Sun Biomedical	36,315,044	110,051	0	44,571	49,269,319
4 Share Placement	12,755,240	110,051	0	44,571	49,269,319
5 Shares Upon Conversion of Loans	12,755,240	110,051	0	44,571	49,269,319
6 Employee Option Plan	36,314,644	110,451	0	44,571	49,269,319
7 Change of Name	10,192,231	26,122,813	110,051	44,571	49,269,319
8 Dir. Opt. - Terry Cuthbertson	36,116,337	110,451	0	44,571	49,269,319
9 Dir. Opt. - Kenneth Lee	35,647,837	110,451	0	44,571	49,269,319
10 Dir. Opt. - Mark Bethwaite	35,647,837	110,451	0	44,571	49,269,319
11 Dir. Opt. - Richard Haren	35,464,184	110,451	183,653	44,571	49,269,319

Yours faithfully,



Kenneth Lee  
Company Secretary