

1st July 2010

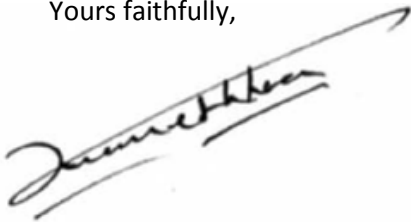
Company Announcements Office
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Dear Sirs

EXERCISE OF OPTION AGREEMENT – QUINCE IRON ORE PROJECT

The Directors of South American Iron & Steel Corporation Limited (SAY) are pleased to announce that, following approval by shareholders at the General meeting held in Sydney on 30th June 2010, SAY has exercised the Option Agreement in relation to the Quince Iron Ore Project.

Yours faithfully,



Kenneth Lee
Company Secretary