

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

28<sup>th</sup> July 2010

(ASX:SAY)

Dear Sirs,

**Quarterly Activities Report for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2010**

Attached is the Company's Quarterly Activities Report and Appendix 5B for the period 1st April to 30th June 2010.

Yours faithfully,  
**South American Iron & Steel Corporation**



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**Kenneth Lee**  
Acting CEO

## **QUARTERLY ACTIVITIES REPORT**

### **For the period 1<sup>st</sup> April to 30<sup>th</sup> June 2010**

#### **Quince Iron Ore Project**

The Quince Project represents an opportunity for the Company to acquire 100% ownership, explore and develop a large scale conventional iron ore project in Chile, where other magnetite mines are in production or development in close proximity.

On 30<sup>th</sup> June 2010, a General Meeting of SAY shareholders approved the acquisition of the 90% of Quince not already owned by the Company, and SAY exercised its option to acquire. SAY will now undertake a minimum 2,500 metre drilling program to further test the potential of the Quince project. Mr David Cadwell, the geologist who initially drilled Quince has been engaged as SAY's Country Manager in Chile to direct the drilling campaign.

#### **Putu**

During the June Quarter, SAY received reports and interpretation of data from the completed airborne geophysical data acquisition at its Putu Iron Sands Project in Chile. The magnetic component of the data revealed zones of increased magnetic intensity over the Trinchera, Plano and Katie regions and these regions will be assessed with further sampling and testing from previous drillings during the next six months.

#### **Aguas Claras**

During the June Quarter, Shoreline Minerals Limited (Shoreline) was unable to complete the initial phase of the Deed of Settlement agreed during the March Quarter. After Shoreline was given additional time to complete, SAY received notification of their inability to raise sufficient funds to exercise their option. SAY will now re-evaluate the data base for Aguas Claras and determine the best method to move the project forward, including the potential to bring in JV partners.

#### **Corporate**

Mr Mark Bethwaite joined the Board of SAY on 23<sup>rd</sup> April 2010. The Directors believe that the current Board has the requisite knowledge and skills to explore and develop the mineral assets in South America held by the Company and its controlled entities. Mr Bethwaite has been installed as the Chairman of the Audit Committee.

Discussions with Chinese parties interested in an investment in SAY have progressed, with the Chairman and CEO visiting Beijing during the Quarter.

### **Capital Raising**

The Company raised \$1.6m from a combination of loan instruments and share placements during the Quarter. SAY also received \$US100,000 part payment for land sold in Ecuador and is expecting a further \$US180,000 by mid September 2010.

The General Meeting of shareholders on 30<sup>th</sup> June 2010 also approved the raising of a further \$1.5m from sophisticated investors wishing to invest in SAY, and that transaction is in progress. Directors are pursuing a number of opportunities to assist the funding of the acquisition of Quince and to fund further exploration activities in Chile, particularly the current drilling campaign at the Quince magnetite project.

Please find attached the Appendix 5B for the June Quarter, 2010.