

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

29<sup>th</sup> July 2010

(ASX:SAY)

Dear Sirs,

**Amended Appendix 5B**

Attached is the amended Appendix 5B for the period 1st April to 30th June 2010.

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



---

**Kenneth Lee**  
**Acting CEO**

Rule 5.3

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

South American Iron & Steel Corporation Limited

ABN

67 060 319 119

Quarter ended ("current quarter")

June 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(29)	(337)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	17
1.5 Interest and other costs of finance paid	(14)	(14)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(557)</b>	<b>(2,291)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(8,392)	(8,479)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	117	243
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Purchase of Option)	-	(243)
<b>Net investing cash flows</b>	<b>(8,275)</b>	<b>(8,479)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(8,832)</b>	<b>(10,770)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(8,832)	(10,770)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	942	2,542
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	8,950	9,250
1.17	Repayment of borrowings	(200)	(184)
1.18	Dividends paid		
1.19	Other (provide details if material) Cost of Raising Capital	-	(113)
	<b>Net financing cash flows</b>	9,692	11,495
	<b>Net (decrease)/increase in cash held</b>	860	725
1.20	Cash at beginning of quarter/year to date	254	389
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,114	1,114

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	136
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.9 (c)	This amount received relates to a part payment of land sold in Ecuador. The final payment of US \$180,000 is due by 18th September 2010.
1.16	On 30 <sup>th</sup> June, the Group acquired a concession named Quince for \$8,292,700. The acquisition consideration is deferred for 18 months from the date of purchase at interest rate of 12% per annum and \$100,000 was repaid during the quarter. In addition, a loan instrument of \$557,600 (zero interest bearing) was issued during the quarter, of which a General Meeting of shareholders approved the issue of shares upon conversion of the loan instrument.  One Convertible Note was issued for \$100,000 each during the quarter. Interest Rate; 12% pa. Maturity Date; earlier of exercise of Quince Option or 30 September 2010. Conversion Price; 20% discount to 30 day VWAP of SAY shares if less than \$7,555,556 is raised by issue of securities before 30 June 2010 or otherwise the lowest price of shares issued prior to 30 June 2010 or if convertible notes are issued the conversion price under those convertible notes. Conversion Date; Any time, at election of holder, between issue date and maturity date
1.17	One Convertible Note was repaid during the quarter.
1.23	Includes aggregate amounts paid to directors, including salaries, directors' fees and superannuation.

+ See chapter 19 for defined terms.

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--	--

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--	--

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	100	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	
4.3 Production	
4.4 Administration	350
<b>Total</b>	<b>1,150</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	71	167
5.2 Deposits at call	990	34
5.3 Bank overdraft		
5.4 Other – Fixed deposit held for bank guarantees	53	53
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,114</b>	<b>254</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Quince	10%	100%

---

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	192,891,831	192,891,831		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,559,804	23,559,804	\$0.04	\$0.04
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	3 Convertible Note		\$100,000	\$100,000
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	1 Convertible Note 1 Convertible Note			
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Unquoted options 2,000,000 1,350,000 1,300,000 1,000,000 2,573,750 6,666,666 6,666,667 6,666,667	- - - - - - - -	Exercise price \$0.50 \$1.25 \$1.50 \$3.00 \$0.50 \$0.10 \$0.15 \$0.20	Expiry date 30 July 2011 1 November 2010 1 November 2011 26 November 2010 12 February 2011 5 July 2015 5 July 2015 5 July 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* (delete one) give a true and fair view of the matters disclosed



Sign here: ..... Date: 29<sup>th</sup> July 2010  
 (Company secretary)

Print name: Kenneth Lee

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

====

---

+ See chapter 19 for defined terms.