

26 October 2010

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

Dear Sir/Madam,

Henan Mining Quince Farm-in Agreement Extension

South American Iron & Steel Corporation Limited (ASX:SAY) announces that the Quince Farm-in Agreement with Henan Mining (announced to ASX on 11 October) has been extended by mutual agreement. The extension was verbally agreed during the due diligence visit in recent days by the Henan Mining group to the Quince site in Region III, Chile. The Henan Mining geologists spent time inspecting drill core at Quince and reviewing other iron ore operations in the vicinity and along the Atacama Fault.

The extension was requested by Henan Mining because those conducting the due diligence were not due back in China before 27 October and they needed to brief the Henan Mining Executive prior to a Board meeting scheduled for early November. SAY will inform the market as soon as a decision by Henan Mining is advised to SAY.

Assay data for the five hole drilling program of 2,290m at Quince is beginning to be assembled. The delay in assay results is due to the fact that the Quince samples were not assayed in Chile (as first stated) but sent by ACME to Vancouver, Canada for analysis as ACME advised SAY that the equipment in Chile was not operational. SAY was expecting to have results available earlier, but now believes that it will be more appropriate to release the full drilling assay results for the five Stage 1 completed holes when all the data has been assembled and analysed.

Yours faithfully,



Kenneth Lee