

21 December 2010

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

ASX:SAY

Dear Sirs

Low Level Contaminants in Magnetic Concentrates - Quince Iron Ore Project, Chile

On 19 November South American Iron & Steel Corporation Limited (SAY) announced details of the %Fe assay results in the magnetic concentrates for the Stage 1 drilling at its Quince Iron Ore Project in Chile. Quince is located adjacent to the Pan American Highway approximately 40km inland from the deepwater port of Chañaral in Region III of Chile.

Directors of SAY are pleased to announce that further analysis of selected crude magnetic concentrates produced using the Davis Tube Recovery method from Hole SQ1 have provided detailed information on the contaminants expected to be found in the iron ore magnetic concentrates. A total of 16 samples were selected for further analysis and the results are now to hand, as expected the results show that the contaminants in the concentrates are well within acceptable levels for a high quality iron ore feed.

Contaminants maximum, minimum and average values are provided in Table 1.

QUINCE SQ1														
	Fe	SiO ₂	Al ₂ O ₃	CaO	MgO	K ₂ O	MnO	TiO ₂	P ₂ O ₅	Cr ₂ O ₃	Ba	V ₂ O ₅	S	LOI
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Sample(min)	0.1	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.004	0.004	0.002	0.001	-5.11
MAXIMUM	68.26	10.41	2.5	2.35	2.31	0.25	0.21	1.17	0.03	0.016	0.005	0.787	<0.001	-3.34
MINIMUM	57.90	2.19	0.52	0.08	0.56	<0.01	0.07	0.61	<0.01	<0.004	<0.004	0.635	<0.001	-2.62
AVERAGE	64.70	4.87	1.31	0.76	1.33	0.13	0.11	0.88	0.02	0.009	0.004	0.708	<0.001	-3.04
		SiO ₂												
		3 samples												
		>9.0												
		8 samples												
		<4.0												

TABLE 1. XRF Assay results for Concentrates derived from Davis Tube Recovery showing %Fe, %Contaminants and %Loss on Ignition (LOI) for 16 representative samples from SQ1 – Stage 1 Quince drilling.

Assay analyses using an XRF for each of the samples derived from a Davis Tube Recovery system was performed in ACME's laboratory in Vancouver.

By order of the Board,



Kenneth Lee
Company Secretary

The information in this report that relates to exploration results and mineral resources is based on information compiled by Dr. Richard Haren who is a corporate Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Richard Haren is a self employed consultant who is retained by SAY as Non-Executive Director. He has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About South American Iron & Steel Corporation Limited

SAY holds a number of mineral concessions in Chile, South America that host iron sands, in addition SAY has entered into a Chilean Mining Concessions Purchase Agreement in relation to the Quince concessions in accordance with the Chilean Mining Law.