

29th July 2011

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

Dear Sirs

Report on Activities and Appendix 5B - June Quarter 2011

The Company provides the following report on activities for the three month period ended 30 June 2011.

Highlights

- SAY advised the market that it had been in discussions with Ample Success Investment Limited ("Ample") a Hong Kong company whose sole asset is 75% ownership of a 48.15 sq km Concession in Yunnan China ("the Yunnan Concession"). The Company advised it had entered into an agreement to acquire 15% of Ample, and subject to shareholders' approval, a further 39% of Ample.
- Upon completion of acquiring 15% of Ample, Ample Directors will transfer management right of Ample to SAY where SAY has the rights and obligations to manage Ample in the capacity of the major shareholder in Ample.
- Directors, including the Technical Director visited the Yunnan Concession and assisted the Chinese exploration team to determine a workable exploration methodology for the Concession.
- Electrical surveys were initiated over the gold, the copper, the lead-zinc and the antimony mineralized zones.
- Drilling locations have been identified, with drilling to commence during the current quarter and assays available in September 2011.
- The Putu and Quince Projects in Chile, South America have been the subject of numerous discussions with interested Parties wishing to initiate development.

Exploration Activities

During the quarter ended 30 June 2011, Directors visited Yunnan, China to assess a Concession where gold; copper and base metals projects are being actively explored. Dr

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Richard Haren assisted the local Chinese exploration team to determine the methodology to further explore the mineralized regions within the Concession. Electrical surveys were initiated over five highly prospective regions of mineralization within the Concession and drilling positions have been located in the gold mineralized region to the north of the Zacun gold mine. Drilling is expected to commence in early August, 2011.

Drill samples from the magnetite iron ore project at Quince, Chile were sent to a number of parties in China and Japan interested in independently assessing the material with the view of an off-take or farm-in.

SAY is actively working on a plan to initiate the environmental impact assessment at the Putu iron sands project in Chile as a Chinese steel producer is interested in developing the project.

Corporate

The Board has been in active discussions with numerous parties to assist the Company advance the Quince and Putu Projects in Chile, South America. As well, the Board has secured additional funding through a \$300,000 non-interest bearing Convertible Note.

Appendix 5B

The Company's Appendix 5B cash report is attached.

Yours faithfully,



Kenneth Lee

CEO

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.

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 2011

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	(16)	(972)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	32
1.5 Interest and other costs of finance paid	-	(4)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(249)	(2,380)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(133)	(281)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	-	197
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Purchase of Option)		
Net investing cash flows	(133)	(84)
1.13 Total operating and investing cash flows (carried forward)	(382)	(2,464)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(382)	(2,464)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	875
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		1,000
1.17	Repayment of borrowings	-	(200)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	1,675
Net (decrease)/increase in cash held			
		(382)	(789)
1.20	Cash at beginning of quarter/year to date	701	1,114
1.21	Exchange rate adjustments to item 1.20	(2)	(8)
1.22	Cash at end of quarter	317	317

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	64
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23	Includes aggregate amounts paid to directors, including salaries, directors' fees and superannuation.
1.16	The convertible note of \$1,000,000 was converted at 8.2 cents per share, into 12,195,122 shares, under the terms of the convertible note.

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

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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

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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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
4.3 Production	
4.4 Administration	240
Total	290

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	21	94
5.2 Deposits at call	243	554
5.3 Bank overdraft		
5.4 Other – Fixed deposit held for bank guarantees	53	53
Total: cash at end of quarter (item 1.22)	317	701

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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			

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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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	245,846,493	245,846,493		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Unquoted options		Exercise price	Expiry date
	2,000,000	-	\$0.50	30 July 2011
	1,300,000	-	\$1.50	1 November 2011
	6,666,666	-	\$0.10	5 July 2015
	6,666,667	-	\$0.15	5 July 2015
	6,666,667	-	\$0.20	5 July 2015
	650,000	-	\$0.15	23 September 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

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7.12	Unsecured notes (<i>totals only</i>)		
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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 ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed



Sign here: Date: 29th July 2011
(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.

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