

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

11th August 2011

Dear Sirs,

Company Gains Control of a Mineral Concession in Weishan County, Yunnan, China

Highlights:

- **SAY acquires 15% of Ample Success.**
- **SAY to manage Exploration of Concession.**
- **Preliminary geophysical exploration - large areas anomalous in gold and copper.**
- **At least 6 diamond drills will be employed simultaneously**
- **Drilling programme for 20, 000 metres planned.**
- **Drilling to commence on 11th August 2011.**
- **First assay results expected in mid September 2011.**
- **Seamless work-flow for rapid on-site decision making.**
- **PRC Mineral Resource Classification 332 (equivalent to JORC Indicated Resource) for gold prospect (Northern Section) anticipated to be completed and submitted to Chinese Government for approval in February 2012.**

Further to our announcement of 27th July 2011, South American Iron & Steel Corporation Limited (“the Company” or “SAY”) is pleased to announce that it has acquired 15% of Ample Success Investment Limited (“Ample Success”) for \$1,134,215 through the issue of 11,939,111 SAY’s shares at 9.5 cents each. Ample Success’s sole asset is a 75% interest in a highly prospective mineral Concession in Weishan County, Yunnan, China (“the Concession”).

In addition to the 15% acquired, the vendor of Ample Success (“the Vendor”) has also transferred a further 39% of Ample Success to the Company to be held in trust for the Vendor, giving SAY effective control of the Ample Success (54%). The Vendor and Ample Success directors have transferred management right of Ample Success to SAY where SAY has the rights and obligations to manage Ample Success operations in the capacity of the major shareholder of Ample Success. Accordingly, SAY has the right to manage exploration on the Concession as Ample has a 75% interest in the Concession and is manager.

The Concession

The Concession was granted to Weishan Feiste Mining Co. Ltd. (“Feiste”) in 2009 and still held by Feiste, and it has an Exploration Certificate No. T53120080502009089. The area of the Concession is 48.15km², and it is known to host gold, copper, lead-zinc, iron and antimony mineralisation. The copper, gold and antimony mineralisation areas have been exploited historically by local artisan miners.

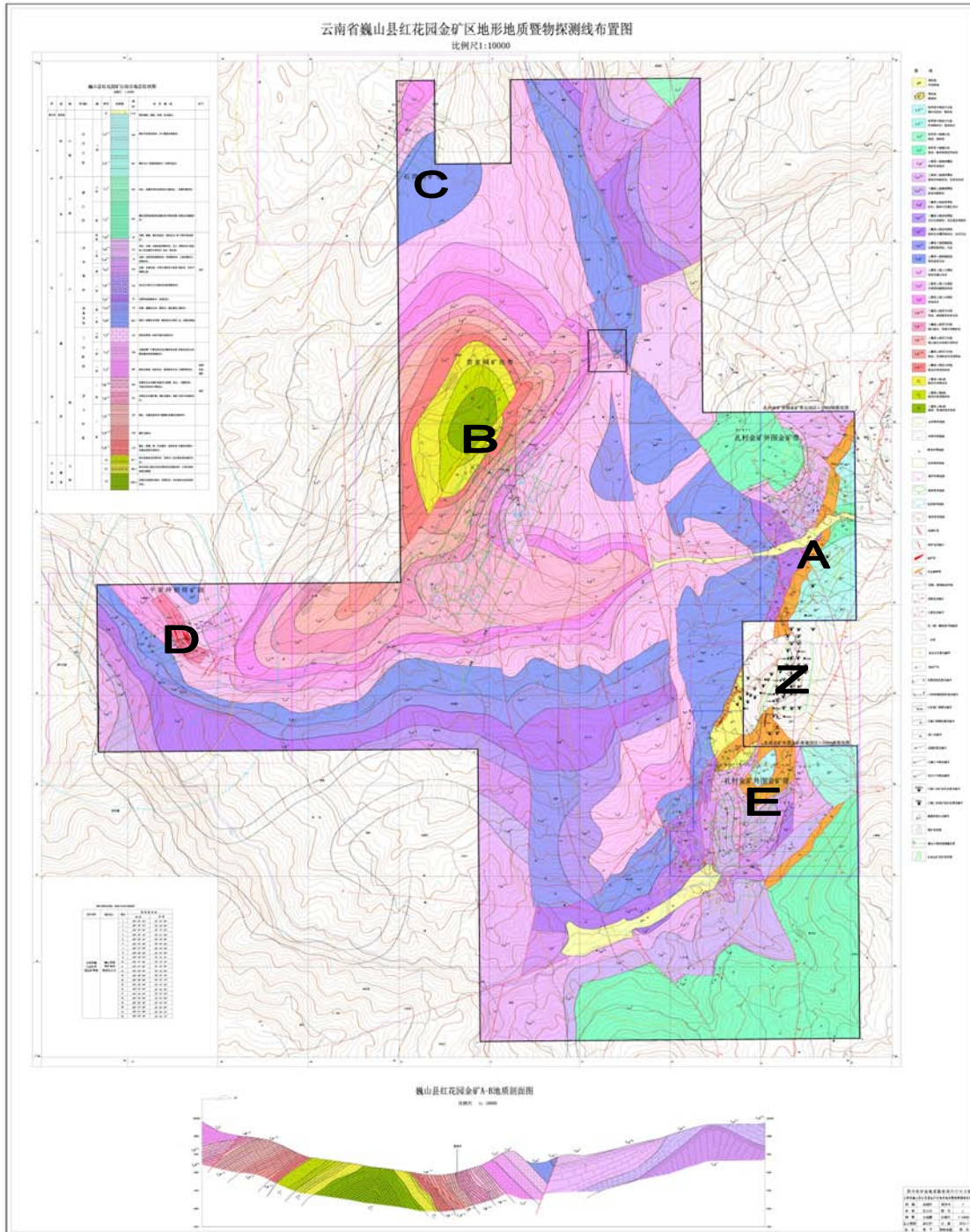
The Concession is accessible via a combination of paved and dirt roads and tracks. The Concession is situated 103km west of Dali City (a major tourist City) where connections to other major cities are available via railway and airplane. The town of Weishan provides a safe and reliable precinct for exploration management headquarters and is a short drive from the Concession area.

Figure 1 is a geological map of the Concession area showing the main regions of interest and minerals prospects.

It is worth noting that another tenement adjacent to the Concession, marked “Z”, known as the Zhacon gold project (“Zhacon Gold”), is in its mining stage. The Concession is located in the same fault and mineralisation belt as Zhacon Gold. The north and south of Zhacon Gold belt extend into the Concession. Fieste has done geological mapping at 1:10000 scale and geochemical soil survey, the fragmented mineralization belt is basically defined, Au, Cu, Hg, Sb anomalies are defined.

Zhacon Gold has reported, for the purpose of royalty payments, gold reserves of 10.5 tonnes to the Chinese Government.

Figure 1: Geological Map of the Concession and Minerals Prospects



- A – Gold Prospect (Northern Section)**
- B – Copper Prospect**
- C – Antimony Prospect**
- D – Lead-Zinc Prospect**
- E – Gold Prospect (Southern Section)**
- Z – Zacun Gold Project**

For personal use only

Strategy to Realise Value in the Concession

The Company's management plans to explore the Concession and has set out the following schedule:

Week Ending: **Description of Exploration Work**

Gold Prospect (Northern Section):

Commenced	Access road construction
Commenced	Mobilize drilling equipment
14 th August 2011	Commence drilling – 3 diamond drills
4 th September 2011	Final report on electrical IP survey completed
4 th September 2011	Completed 3 drill holes

Note that drilling will continue from thereon to achieve compliance to PRC Mineral Resource Classification 332 ("PRC Code 332")

5 th February 2012	Complete exploration to comply with PRC Code 332 (JORC Indicated Resource equivalent) and submission to Chinese Government for approval
-------------------------------	---

Copper Prospect:

21 st August 2011	Mobilize drilling equipment
4 th September 2011	Final report on electrical IP survey completed
11 th September 2011	Commence drilling 2 holes (locations confirmed) – 2 diamond drills

Further electrical IP surveys will be initiated to extend the region around the highly anomalous "sweet spot" and further drilling will be planned based on initial drill results and the extended geophysical survey work.

Antimony

Prospect:

4 th September 2011	Final report on electrical IP survey completed
4 th September 2011	Mobilize drilling equipment
10 th September 2011	Commence drilling

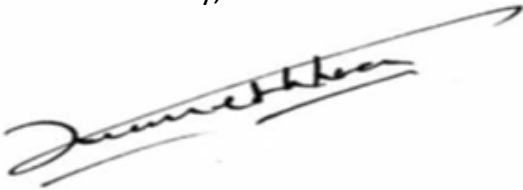
Further drilling will be planned based on the initial drilling results

For personal use only

Progress Updates

The Company will continue to update the market in relation to the progress of exploration work at the Concession.

Yours sincerely,



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.

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. SAY has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China. SAY currently manages the exploration on that Concession.

For personal use only