

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

21st April 2017

Dear Sirs

Report on Activities and Appendix 5B - March Quarter 2017

The Company provides the following report on activities for the three month period ended 31st March 2017.

Exploration activities in Chile have ceased, while operational and administrative overheads have been reduced. Re-habilitation of our previously held concessions has almost completed.

During the quarter, the Company has entered into a Merger Implementation Deed with Mulwarra Export Pty Ltd ("Mulwarra"), whereby SAY will acquire 100% of Mulwarra ("Proposed Transaction").

Mulwarra is a specialist exporter of premium Australian beef, lamb, veal, Wagyu beef, venison, seafood, game meat and other produce. It operates in over 30 countries globally, including Asia, the Middle East and Europe. Mulwarra commenced operations in 1997 and has been profitable in each year it has operated.

The terms of the agreement allow the Mulwarra shareholders to sell equity to SAY in return for SAY shares and cash consideration. The Proposed Transaction is subject to due diligence, SAY shareholder approval, regulatory approval, an independent expert report concluding that the Proposed Transaction is in the best interests of the SAY shareholders and execution and completion of a Sale and Purchase Agreement.

In consideration for SAY acquiring 100% of Mulwarra, the Mulwarra shareholders will be entitled to:

- \$10,000,000 cash consideration;
- \$12,500,000 worth of consideration shares in SAY;
- The ability to make a \$4,500,000 pre-completion dividend; and
- \$6,700,000 deferred consideration contingent on the Mulwarra Business meeting a FY18 EBITDA forecast.

The deferred consideration is payable in mix of cash or SAY shares. The ratio of cash and shares is the same ratio as the initial consideration. If SAY shares are issued as part of the deferred consideration, these will be issued upon EBITDA hurdles and be issued at a price equal to the five day VWAP leading up to the date of finalisation of the 2018 earnings.

The following timetable outlines the key implementation steps for the Proposed Transaction, the process and timetable for seeking the approval of SAY security holders and for re-complying with ASX's requirements for admission and quotation.

Action	Date
Execute Merger Implementation Agreement	27-Mar-17
Mutual due diligence commence	27-Mar-17
SAY and Mulwarra execute SPA	2-May-17
Notice of meeting / explanatory memorandum / independent experts report (SAY Shareholder Booklet) provided to ASX for review	2-May-17
SAY Shareholder Booklet despatch date	11-May-17
SAY general meeting is convened	9-Jun-17
SAY lodges prospectus with ASIC and Appendix 1A with ASX	9-Jun-17
The public offer for SAY Shares under the prospectus (SAY Share Offer) opens	9-Jun-17
Receipt of ASX Chapters 1 and 2 Confirmation	14-Jul-17
SAY Share Offer closes	17-Jul-17
SAY is reinstated on the ASX	19-Jul-17

Dates are indicative and subject to change.

Shareholder and regulatory approvals required for the consummation of the Proposed Transaction include:

- Approval of the acquisition of Mulwarra by SAY, and to the change in nature and scale of SAY's activities;

- Approval for Mr Greg Darwell and associated interests to acquire a shareholding in excess of 20% of SAY in accordance with section 611, item 7 of the Corporates Act;
- Approval for the issue of consideration shares to the Vendors of Mulwarra, and approval for the issue of shares to investors pursuant to the proposed capital raising to be undertaken pursuant to a Prospectus;
- Approval for the issue of SAY shares pursuant to the conversion of the notes to raise up to \$500,000;
- Approval for SAY's shares to be consolidated;
- Receipt of approval from the ASX that SAY has met the requirement of Chapters 1 & 2 of the Listing Rules for re-instatement on the ASX.

The Proposed Transaction requires security holder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming. SAY is required to re-comply with ASX's requirements for admission and quotation and therefore the Proposed Transaction may not proceed if those requirements are not met. The ASX has absolute discretion in deciding whether or not to re-admit the entity to the official list and to quote its securities and therefore the Proposed Transaction may not proceed if ASX exercises that discretion. Investors should take account of these uncertainties in deciding whether or not to buy or sell the entity's securities.

Listing Rule 3.1 states that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately inform the ASX of that information. SAY confirms it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

SAY's securities will remain in suspension until such time as SAY provides the market with supplementary information in relation to the Proposed Transaction and the target company or recompliance with Chapters 1 and 2 of the Listing Rules.

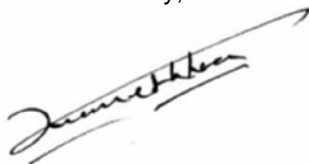
Corporate

The Company is in the process of raising further equity capital and has been in discussions with several potential investors.

Appendix 5B

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

Yours faithfully,



Kenneth Lee
CEO

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

South American Iron & Steel Corporation Limited

ABN

67 060 319 119

Quarter ended ("current quarter")

31st March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23	62
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(30)	(91)
(e) administration and corporate costs	(27)	(177)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Payments for rehabilitation in Chile)	(11)	(40)
1.9 Net cash from / (used in) operating activities	(44)	(245)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of: (a) property, plant and equipment (b) tenements (see item 10) (c) investments (d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	24	86
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	24	86

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	132	268
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(44)	(245)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	24	86
4.5 Effect of movement in exchange rates on cash held	(3)	(0)
4.6 Cash and cash equivalents at end of period	109	109

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	27	68
5.2 Call deposits	19	1
5.3 Bank overdrafts		
5.4 Other (Fixed deposit held for bank guarantees)	63	63
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	109	132

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

NIL

NIL

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	10
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	60

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

.....
(Director/Company secretary)Date: 21st April 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.