

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

31st July 2017

Dear Sirs

Report on Activities and Appendix 5B - June Quarter 2017

The Company provides the following report on activities for the three month period ended 30th June 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 Group received a tax refund of around \$218,000 from the Chilean tax authorities. The tax refund is in relation to our Chilean tax losses claim against withholding tax deducted from the sale proceeds of our 10% ownership in the Quince concessions.

The Company has entered into a Share Purchase Agreement ("the Agreement") with all of the shareholders of Mulwarra ("Mulwarra Shareholders") pursuant to which SAY will acquire 100% of Mulwarra from Mulwarra Shareholders ("the Acquisition").

During the quarter, SAY and the Mulwarra Shareholders engaged in further negotiation and agreed to certain changes to the structure for the Acquisition (as compared to previously announced structure). In particular, in consideration for the Acquisition, the Mulwarra Shareholders are entitled to:

- \$7,300,000 cash consideration;
- \$12,500,000 worth of consideration shares in SAY;
- Up to \$8,760,000 deferred consideration contingent on the Mulwarra Business meeting a FY18 EBITDA forecast of \$5,283,000; and
- a \$3,200,000 pre-completion dividend.

Completion of the Acquisition under the Agreement is subject to satisfaction (or waiver) of a number of conditions, including:

- SAY obtaining all necessary shareholder approvals required in connection to the Acquisition, including SAY shareholders' approval of the change to nature and scale of SAY's activities resulting from the Acquisition;
- SAY obtaining all necessary ASX, governmental and regulatory consents and approvals required in connection with the Acquisition;
- SAY complying with any requirements of ASX including, approval to have its shares readmitted to trading on the Official List;
- SAY preparing a prospectus, lodging the prospectus with ASIC and receiving applications to meet the \$8,500,000 minimum subscription; and
- the issue of a report from an independent expert concluding that the Acquisition is in the best interests of the SAY shareholders.

As part of the Acquisition, SAY will undergo a share consolidation prior to being reinstated on the ASX. Details of the consolidation will be determined by the Board.

SAY and Mulwarra Shareholders are in the process of satisfying all the conditions with respect to the Acquisition and expect to complete the Acquisition by 31 October 2017.

Compliance with ASX Listing Rules

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.

The ASX takes no responsibility for the contents of this announcement.

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..

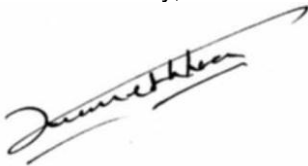
Corporate

During the quarter, the Company has raised a \$100,000 loan note and it 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")

30th June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36	98
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(9)	(100)
(e) administration and corporate costs	(136)	(313)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Tax refunds (Chile)	218	218
1.8 Other (Payments for rehabilitation in Chile)		(40)
1.9 Net cash from / (used in) operating activities	110	(135)

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		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	100	186
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	100	186

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	109	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	110	(135)
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)	100	186
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	319	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	235	27
5.2 Call deposits	21	19
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)	319	109

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	NIL
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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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.		

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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:

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(Director/Company secretary)Date: 31st July 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.