

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

31st July 2014

Dear Sirs

Report on Activities and Appendix 5B - June Quarter 2014

The Company provides the following report on activities for the three month period ended 30th June 2014.

Summary

- Dialogue continuing regarding mining opportunities with the Ecuadorean Government.
- Signed agreement with Chilean company for reprocessing of copper tailings.
- No work was carried out in Weishan County, Yunnan China this quarter.

Exploration and Related Activities:

Putú Concessions, Chile

There was no trial production in the Putú concession due to Route 5 road maintenance. Our plan was to transport our products using Route 5 but would now have to use alternative countryside route; which makes transportation cost very high and at present not economically viable. Production also paused to avoid products storage costs. Production will recommence once route maintenance completed.

Ecuador Opportunities, Ecuador

During the quarter discussions are continuing with the Ecuadorian Government and two large Chinese mining houses are continuing. These discussions are focussed on specific advanced exploration and mining projects in Ecuador.

If successful the results of negotiation will involve the incorporation of a Joint Venture which will include the Ecuadorian Government, one or two major mining companies and the Company. The exploration and mining projects under discussion are large scale and advanced, so the Company is working diligently to evolve a positive outcome to add value to shareholders.

The Company is in advanced negotiations with the Ecuadorian Government to regain interests in iron sands projects, previously owned by the Company. Meetings with the General Manager of ENAMI (State-owned national mining company) is continuing.

Copper Tailings Project, Chile

During the quarter the Company has signed an agreement with Sociedad Minera GuangDa Atacama Ltda, a company incorporated in Chile, ("SMGA") with a view to acquire 30% of SMGA's equity.

SMGA has rights to beneficiate a concession of 12 million tonnes iron ore rich copper tailings in the Atacama Region of North Chile ("the Concession"). Atacama is an iron oxide copper and gold ("IOCG") region and copper is widely mined in the region. There are at least 40 other iron rich copper tailings that have been identified for beneficiation in the area. Recent sampling of the Concession showed that the Concession is expected to produce at least four million tonnes of saleable iron concentrates.

SMGA is at its final stages of obtaining the Environmental Impact Assessment ("EIA") and all relevant approvals to beneficiate the copper ore tailings.

A summary of the terms and conditions of the Agreement are as follows:

- The Company will invest US\$1.6667 million in SMGA within 10 days of SMGA obtaining the EIA and all relevant approvals to beneficiate the copper ore tailings.
- The major shareholder of SMGA will invest US\$0.8333 million (less any actual cost incurred from October 2013 to obtain the EIA and all relevant approvals to beneficiate the copper ore tailings) into SMGA.
- After the above investments into SMGA, the Company shall hold 30% of the equity of SMGA.
- The injection of funds from the above investments is to provide SMGA working capital to produce saleable iron concentrates as well as to peg more similar concessions in the Atacama region and to obtain production approvals for those concessions.
- Upon the Company investment into SMGA, the Company shall have management rights and financial control of the Concession.

After commencement of production, the Company has a first right to acquire another 30% equity of SMGA through new issue of shares, to result in the Company holding 60% of equity in SMGA.

Corporate

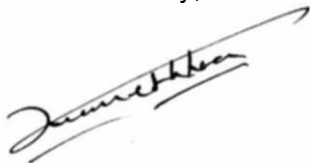
The Company is in the process of raising further equity capital for the development of our Chilean concessions.

In addition, the Company is considering an offer for its land located in the Agua Claras region, Chile.

Appendix 5B

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

Yours faithfully,



Kenneth Lee
CEO

The above information that relates to exploration results and mineral resources are 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 of the above 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 2014

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	50	139
1.2	Payments for (a) exploration and evaluation	(6)	(185)
	(b) development		
	(c) trial production	-	(42)
	(d) administration	(57)	(511)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	-	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(13)	(596)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	(7)
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a)prospects	-	100
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (Purchase of Option)		
Net investing cash flows		0	93
1.13	Total operating and investing cash flows (carried forward)	(13)	(503)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(40)	(490)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	20	62
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	20	62
	Net (decrease)/increase in cash held	7	(441)
1.20	Cash at beginning of quarter/year to date	140	588
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	147	147

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

1.25 Explanation necessary for an understanding of the transactions

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

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

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	-	-

+ See chapter 19 for defined terms.

3.2	Credit standby arrangements	-	-
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Estimated cash outflows for next quarter

	\$A'000
4.1	Exploration and evaluation
4.2	Development
4.3	Production (Trial)
4.4	Administration
	70
Total	80

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	70	80
5.2	Deposits at call	24	7
5.3	Bank overdraft		
5.4	Other – Fixed deposit held for bank guarantees	53	53
Total: cash at end of quarter (item 1.22)		147	140

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			

+ See chapter 19 for defined terms.

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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	318,597,886	318,597,886		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-		-	-
7.7	Options (description and conversion factor)	Unquoted options		Exercise price	Expiry date
		6,000,000	-	\$0.12	19 October 2014
		6,000,000	-	\$0.18	19 October 2014
		6,666,666	-	\$0.10	5 July 2015
		6,666,667	-	\$0.15	5 July 2015
		6,666,667	-	\$0.20	5 July 2015
		2,000,000	-	\$0.20	14 December 2016
		2,000,000	-	\$0.25	14 December 2016
		2,000,000	-	\$0.30	14 December 2016
		2,000,000	-	\$0.10	5 July 2015
		2,000,000	-	\$0.15	5 July 2015
		2,000,000	-	\$0.20	5 July 2015
		700,000	-	\$0.15	5 July 2015
7.8	Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 31st July 2014
(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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