



SOUTH AMERICAN IRON AND STEEL LIMITED

ACN 060 319 119

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of South American Iron and Steel Limited ACN 060 319 119 (*Company*) will be held at Nexia Australia, Level 16, 1 Market Street, Sydney, New South Wales at 11.30 am on Thursday 4 June 2015.

AGENDA

The Explanatory Statement, which accompanies and forms part of this Notice of General Meeting, describes the matters to be considered.

Resolution 1: Ratification of past issue of shares

To consider and, if thought fit, pass the following resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve the issue of 79,649,000 Shares issued to David Yu International Pty Limited on 10th April 2015, on the terms and conditions as set out in the Explanatory Statement."

Resolution 2: Approval for the issue of new shares

To consider and, if thought fit, pass the following resolution:

"That Shareholders approve the issue of up to 60,000,000 Shares no later than three (3) months after the date of this General Meeting, on the terms and conditions as set out in the Explanatory Statement."

By Order of the Board

Kenneth Lee
Director

SOUTH AMERICAN IRON AND STEEL LIMITED

ACN 060 319 119

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide members with information that is reasonably required by members in order to determine how to vote on the resolutions set out in the Notice of General Meeting. The Explanatory Statement is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice of General Meeting and the reasons for the resolutions proposed. Both the Notice of Meeting and the Explanatory Statement should be read in their entirety and in conjunction with each other. Certain terms used herein are defined in the Glossary at the end of this document.

Resolution 1: Ratification of past issue of shares

ASX Listing Rule 7.1 limits the number of securities the Company can issue without Shareholder approval in any 12 month period to 15% of its issued securities, subject to exceptions. ASX Listing Rule 7.1A allows the Company to issue up to an additional 10% of its issued securities, subject to shareholder approval. ASX Listing Rule 7.4 allows shareholders to retrospectively approve an issue of securities made under both Listing Rules 7.1 and 7.1A, provided that the issue was not in breach of the ASX Listing Rules. The retrospective ratification of shares under Resolution 1 has the effect of refreshing the entity's share placement capacity under Listing Rules 7.1 and 7.1A, to allow the Company to undertake further share placements.

As such, Resolution 1 seeks Shareholder approval for the ratification of issued Shares, on the provision of the following information, as required by ASX Listing Rule 7.4:

- (a) **The number of securities issued:** 79,649,000 Shares issued to David Yu International Pty Limited on 10th April 2015.

These Shares were issued on the following basis:
 - (i) Placement issue under ASX Listing Rule 7.1 = 47,789,683 Shares; and
 - (ii) Placement issue under ASX Listing Rule 7.1A = 31,859,788 Shares.
- (b) **The price at which the securities were issued:** Shares were issued at \$0.0027622 per share.
- (c) **The terms of the securities:** The Shares were issued on the same terms and conditions and rank equally in all respects with the Company's existing fully paid ordinary shares.
- (d) **The use of the funds raised:** The Company raised a total of \$220,000.00 from the share issue, which it intends to use as capital for the short to mid-term working expenses of the Company.
- (e) **Voting exclusion statement:**

The Company will disregard any votes cast on Resolution 1 by:

- (i) A person who participated in the issue; and
- (ii) An associate of a person who participate in the issue.

However, the Company need not disregard a vote if:

- (i) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Director's Recommendation

The Director's recommend that Shareholders vote in favour of Resolution 1 to approve the ratification of issued Shares.

Resolution 2: Approval for the issue of new shares

Further to Resolution 1 above, the Board believes it is in the best interests of the Company to raise further capital by issuing up to 60,000,000 Shares to sophisticated and professional investors. This would assist the Company to maintain its working capital and allow for further investments pursuant to the Company's objectives.

As indicated in Resolution 1 above, the ASX Listing Rules impose a limit on the number of securities which the Company can issue without shareholder approval. Under Listing Rule 7.1, this limit in any 12 month period is up to 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period, with Listing Rule 7.1A providing an additional 10% issue capacity, subject to shareholder approval. As at the date of the Notice of Meeting, the Company is entitled to issue approximately 471 Shares under Listing Rule 7.1 and has no remaining capacity to issue Shares under Listing Rule 7.1A.

As such, Resolution 2 seeks Shareholder approval for the issue of additional Shares, on the provision of the following information, as required by ASX Listing Rule 7.3:

- (a) **The maximum number of securities the Company will issue:** 60,000,000 Shares.
- (b) **The date by which the Company will issue the securities:** The Shares will be issued no later than three (3) months after the date of the General Meeting.
- (c) **The issue price of the securities:** The Shares will be issued for not less than 80% of the volume weighted average market price for securities in that class, calculated over the last 5 trading days prior to the issue of the securities.
- (d) **The name of the person to whom the entity will issue the securities, or the basis on which those persons will be selected:** The Shares will be issued to sophisticated and professional investor/s, as selected by the Board.

- (e) **The terms of the securities:** The Shares will rank *pari passu* with all securities of that class.
- (f) **The intended use of the funds raised:** The funds raised will be used to maintain the Company's working capital and to allow investments to further the Company's objectives.
- (g) **Voting exclusion statement:**

The Company will disregard any votes cast on Resolution 2 by:

- (iii) A person who participated in the issue; and
- (iv) An associate of a person who participate in the issue.

However, the Company need not disregard a vote if:

- (iii) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (iv) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Director's Recommendation

The Director's recommend that Shareholders vote in favour of Resolution 2 to approve the issue of new Shares.

GLOSSARY

Capitalised terms appearing in the Notice of General Meeting and Explanatory Statement have the following meaning unless expressly stated:

ASX means the Australian Securities Exchange ACN 000 943 377;

Board means the board of the Company;

Company means South American Iron & Steel Limited ACN 060 319 119;

Director means a director of the Company;

General Meeting means the general meeting the subject of this Notice of General Meeting;

Notice of General Meeting means the Notice of General Meeting to which this Explanatory Statement is attached;

Share means a fully paid ordinary shares in the Company; and

Shareholder means a shareholder in the Company.

Voting Entitlement

A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.37 of the Corporations Act that those persons who are registered as the holders of shares in the Company at **7pm on Tuesday 2 June 2015** will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.



LODGE YOUR VOTE

By Mail:

By fax:

South American Iron & Steel Corporation Limited
PO BOX R1438
Royal Exchange NSW 1225
Australia

(+61 2) 9252 5638

Lodge your vote by: 11.30am on Tuesday 2 June 2015

All enquiries to: Telephone: (02) 8188 1491 Overseas: +61 2 8188 1491

SHAREHOLDER'S DETAILS

Name

SRN/HIN

Address

VOTING FORM

I/We being a member(s) of South American Iron & Steel Corporation Limited and entitled to attend and vote hereby:

Step 1

APPOINT A PROXY

☐the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as
your proxy, please write the name of the person or body
corporate (excluding the registered shareholder) you are
appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **11.30am on 4 June 2015** at the offices of Nexia Australia, Level 16, 1 Market Street, Sydney, New South Wales (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an X

Step 2

VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1 - Ratification of past issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Approval for the issue of new shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Step 3

SIGNATURE OF SHAREHOLDER(S) - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.30 am on 2 June 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



by mail:

South American Iron & Steel Corporation Limited
PO BOX R1438
Royal Exchange NSW 1225
Australia



by fax:

+61 2 9252 5638

if you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.