

19 November 2010

Company Announcements Office
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX:SAY

Dear Sirs

Encouraging Assay Results from Stage 1 Drilling at Quince Iron Ore Project, Chile

Highlights

- **Final 24.9m intersection of SQ1 finishes in massive magnetite**
- **Bulk sample testing reveals low contaminants**

SQ1 – Impressive broad mineralised intercept of 288m

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
27.9	85.35	113.25	53.5	63.0	46.48
288.0	221.25	509.25	51.0	58.1	40.86
Incl. 51.0	458.25	509.25	62.5	64.9	56.01
And 24.9	484.35	509.25	68.8	66.5	63.16

* Inferred Head derived from magnetic recovery & Fe grade (assuming no other Fe in Head sample)

** Davis Tube System recovery (equivalent to magnetic fraction of sample)

On 6 September South American Iron & Steel Corporation Limited (SAY) announced the commencement of Stage 1 drilling at its Quince Iron Ore Project in Chile. Quince is located adjacent to the Pan American Highway approximately 40km inland from the deepwater port of Chañaral in Region III of Chile.

Directors of SAY are pleased to announce that the Stage 1 drilling was completed on 30 September and comprised five completed holes totalling 2,292.8 metres utilizing a reverse circulation (RC) and a diamond drilling (DDH) rig. The objective of the program was to extend SAY's understanding of magnetite mineralisation gained from drilling at this site by Asarco some 10 years ago. Targeting of the drill holes was guided by the strong aeromagnetic and gravity anomalies identified at Quince in previous geophysical surveys. Drilling was inclined at 60° not vertical because it was determined that additional information may be gleaned from angled drillholes. Attention was also focussed on where the drillholes would terminate in the mineralisation, not necessarily on the point of entry into the mineralisation.

Collar locations of the five completed drillholes (SQ1, SQ2 and SQ4 through SQ6) in relation to the aeromagnetic and gravity anomalies are shown in Attachment A to this ASX release. Drillhole SQ3 was abandoned at a depth of 45 metres as the RC rig was unable to maintain open hole through the unconsolidated valley fill.

Assay analysis for each drillhole sample interval derived using a Davis Tube system was performed in ACME's laboratory in Vancouver. A summary of the weighted average assay results for iron for various high and medium grade intercepts are shown in the table - Attachment B. It should be noted that SQ1 terminated at 509.25m in a 24.9 metre intersection of massive magnetite, the highest grade intercept seen in the data (see Attachment C photograph of core). The results provided are derived from the magnetic concentrate and any non-magnetic iron in the Head sample would add to the overall result. The regions between the reported mineralised intercepts shown in Attachment B, whilst generally mineralised were at a lower grade than those reported.

The Company is pleased with these preliminary drilling results and believe that the information gleaned from the Stage 1 drilling campaign can be used to better define collar positions for a Stage 2 drilling program.

Further assay testing is being performed on approximately 15% of the samples to determine the characteristics of the Head Samples and the contaminants in the magnetic fraction. A bulk sample of drill cuttings has been analysed for contaminants, the results are shown in Attachment B and the table reveals low contaminants in the concentrate. The vanadium content in the concentrate suggests that a commercially viable vanadium slag could be produced from Quince magnetite ore.

Shareholders and the ASX will be informed as further assay results are received from ACME's Vancouver laboratory.

By order of the Board



Kenneth Lee
Company Secretary

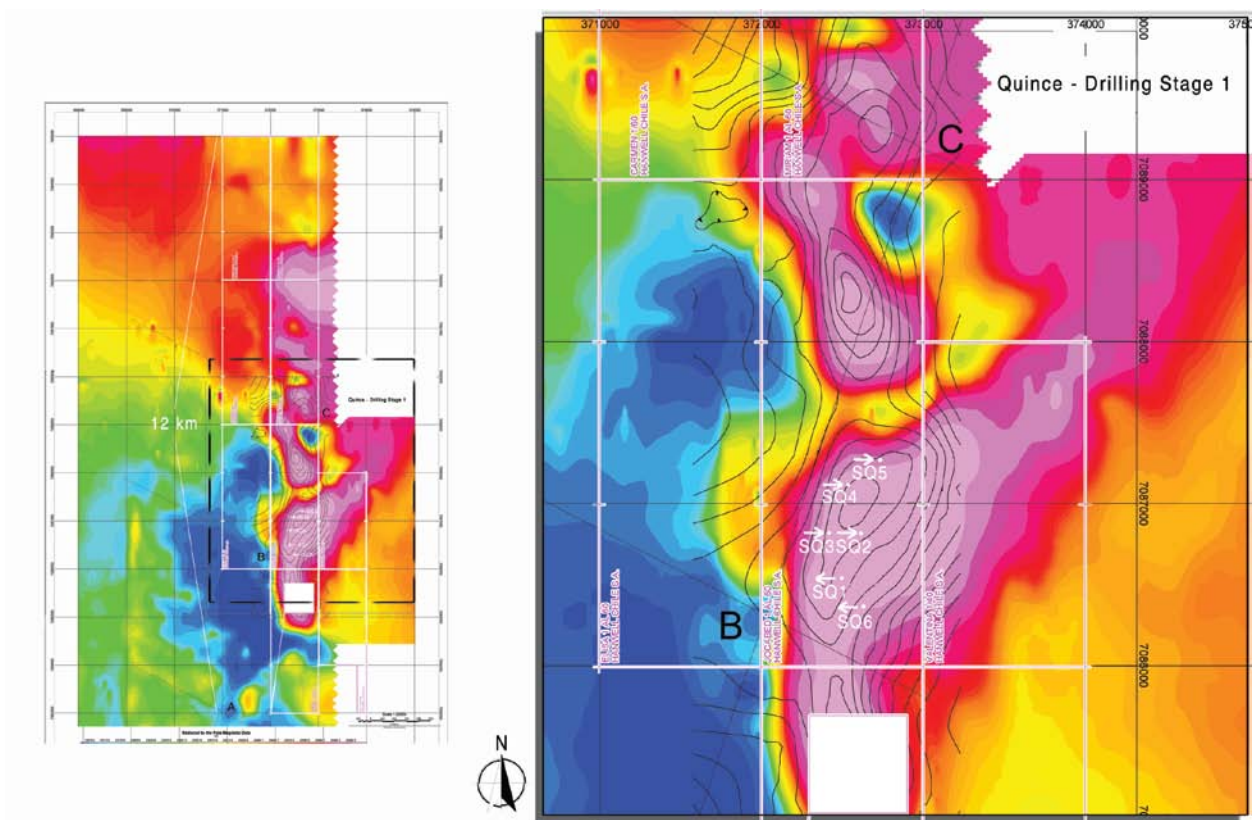
The information in this report that relates to exploration results and mineral resources is based on information compiled by Dr. Richard Haren who is a corporate Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation 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.

Attachment A

Collar positions of Quince Stage 1 drill holes (SQ1 to SQ6) on top of the coloured aeromagnetic image (red is high, blue is low) and gravity anomaly contours in black.



Attachment B

Significant Drilling Intercepts

Quince Drilling – Weighted Average Intercepts in each Drillhole

Hole SQ1 – TD 509.25m Drilled Inclination 60° Azimuth 270° Collar UTM 7086502N, 372521E

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
27.9	85.35	113.25	53.5	63.0	46.48
6.0	134.25	140.25	30.0	59.6	24.65
18.1	185.15	203.25	27.6	53.7	20.45
288.0	221.25	509.25	51.0	58.1	40.86
Incl. 113.0	221.25	334.25	55.5	55.7	42.70
and 57.0	344.25	401.25	35.4	61.5	30.00
and 48.0	407.25	455.25	49.7	57.2	39.20
and 51.0	458.25	509.25	62.5	64.9	56.01

Note Last 24.9m of SQ1 ended in massive magnetite

24.9	484.35	509.25	68.8	66.5	63.16
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Hole SQ2 – TD 410.0m Drilled Inclination 60° Azimuth 90° Collar UTM 7086773N, 372641E

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
16.0	146.0	162.0	22.3	61.0	18.75
54.0	166.0	220.0	16.5	63.5	14.74
16.0	222.0	238.0	17.5	58.8	14.21
11.5	281.0	292.5	21.5	60.5	17.97
24.0	314.0	338.0	28.7	62.1	24.65

Hole SQ4 – TD 539.2m Drilled Inclination 60° Azimuth 270° Collar UTM 7087073N, 372574E

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
88.0	80.0	168.0	44.8	59.7	36.89
26.0	184.0	210.0	37.1	60.4	30.93
8.0	226.0	234.0	35.9	55.6	27.54
32.0	242.0	274.0	40.0	59.9	33.11
64.4	288.0	352.4	45.9	60.8	38.51
57.0	380.2	437.2	29.3	61.8	25.00
18.0	443.2	461.2	38.3	59.8	31.57
57.0	467.2	524.2	36.0	58.4	29.01

Hole SQ5 – TD 432.35m Drilled Inclination 60° Azimuth 90° Collar UTM 7087232N, 372768E

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
16.0	50.0	66.0	33.7	59.6	27.73
10.0	70.0	80.0	34.2	58.5	27.64
18.0	130.0	148.0	31.1	58.0	24.95
14.0	152.0	166.0	38.3	51.3	27.10
18.0	192.0	210.0	37.7	51.7	26.89
9.0	248.0	257.0	51.7	42.7	33.67
14.6	392.0	406.6	24.5	44.2	15.14

Hole SQ6 – TD 402.0m Drilled Inclination 60° Azimuth 270° Collar UTM 7086327N, 372653E

Intercept(m)	From(m)	To(m)	% Recovd.**	%Fe in Mag Fraction	%Magnetite in Head*
20.0	132.0	152.0	21.5	60.9	18.08
14.0	174.0	188.0	20.8	63.0	18.07
10.0	204.0	214.0	17.6	64.6	15.65
8.0	228.0	236.0	18.5	66.6	17.03
14.0	252.0	266.0	22.1	58.6	17.88

* Inferred Head derived from magnetic recovery & Fe grade (assuming no other Fe in Head sample)

** Davis Tube System recovery (equivalent to magnetic fraction of Head sample)

Note: Bulk testing of early Quince drill cuttings by Titanatek Pty Ltd revealed:

Fe recovery of 48.7%.

Concentrate assay using XRF:

%Fe	67.33	P	0.004	BaO	<0.01
SiO ₂	2.57	S	0.007	V ₂ O ₅	0.687
Al ₂ O ₃	1.08	MgO	0.87	Cr ₂ O ₃	0.059
TiO ₂	0.89	K ₂ O	0.061		
CaO	0.31	MnO	0.130		

Attachment C

Photograph of Core from last metres of SQ1 – note magnet in centre of photo

