

Manager of Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

8th September 2011

Dear Sirs,

Update – Electrical IP Survey and Drilling of Mineral Concession in Weishan County, Yunnan, China

The Directors of South American Iron & Steel Corporation Limited (“the Company” or “SAY”) are pleased to announce that the final report on electrical IP survey is completed, the conclusions and recommendations will be released to the market after the report is translated from Chinese to English.

The Directors expect such information to be made available to the market by mid September 2011.

Drilling at the Gold Prospect (Northern Section) – see attached map, marked “A”:

In spite of exceptional extreme wet weather, our drillers manage to continue drilling. In addition, the rocks were fragmented and initially, cement was used as a stabiliser but was unsuccessful as water seeped through and destabilised the hole. Subsequently, resin and sawdust were successfully used to stabilise the drill hole.

As of 5th September, two of the drill holes reached a depth of 60 metres where 12 sided pyrite is visible. This is a very encouraging sign as gold was found under such pyrite at Zhacun Gold (marked “Z” in concession map). The Mineral Concession hosts the same fault and mineralised belt as Zhacun Gold. Zhacun has reported, for the purpose of royalty payments, gold reserves of 10.5 tonnes to the Chinese Government. The current drill holes are located to the north of Zhacun along strike following the same fault and mineralised belt as Zhacun.

The revised time line for completion of drilling is early October and we anticipate the assay results from those holes by mid October 2011.

A third drill hole is planned to commence week ending 18th September 2011.

Drilling at the Copper Prospect – see attached map, marked “B”:

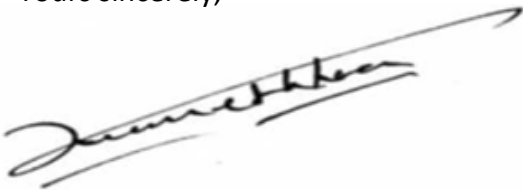
Difficulties were also encountered due to extreme wet weather which caused the preparation of work platform harder and longer to build as the planned drilled holes are located in steep slopes.

Drilling in one hole has commenced two weeks ago. A second hole is under preparation.

Drilling at the Antimony Prospect – see attached map, marked “C”:

Drilling in one hole has also commenced two weeks ago. Similar to those prospects above, wet weather is slowing the progress of drilling.

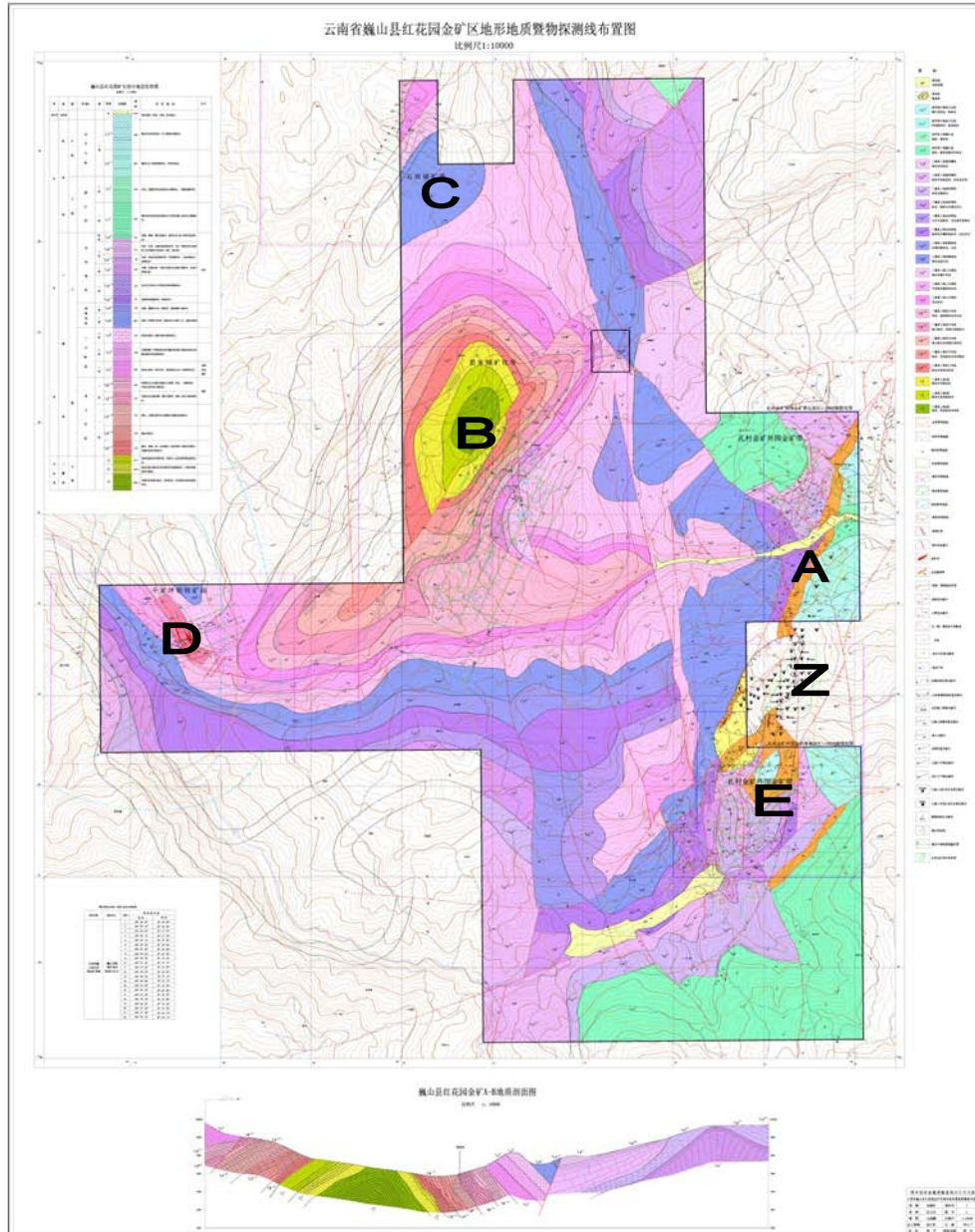
Yours sincerely,



Kenneth Lee
CEO

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.

Figure 1: Geological Map of the Concession and Minerals Prospects



- A – Gold Prospect (Northern Section)**
- B – Copper Prospect**
- C – Antimony Prospect**
- D – Lead-Zinc Prospect**
- E – Gold Prospect (Southern Section)**
- Z – Zhaacun Gold Project**

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. SAY has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China. SAY currently manages the exploration on that Concession.