

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

31st January 2011

Dear Sirs,

Issue of Convertible Note

The Directors of South American Iron & Steel Corporation Limited (ASX: SAY) announce that the Company will issue a \$1 million Convertible Note to a sophisticated investor to be converted at 8.2 cents per share, of which the funds received would be used for working capital only.

This note is non-interest bearing and it matures on 24th January 2012.

Yours faithfully,



Kenneth Lee
Company Secretary and CEO

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.