

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

15th August 2011

Dear Sirs,

Drilling Commenced on Mineral Concession in Weishan County, Yunnan, China

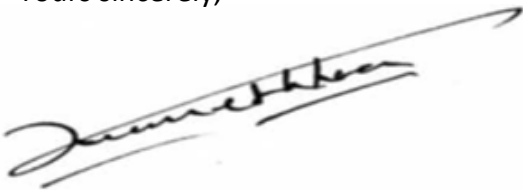
The Directors of South American Iron & Steel Corporation Limited (“the Company” or “SAY”) are pleased to announce that drilling at the highly prospective mineral Concession in Weishan County, Yunnan, China (“the Concession”) commenced last Friday, 12th August 2011.

Three diamond drills are being used simultaneously in the Gold Prospect (Northern Section). The plan is to drill up to 500 metres in each of the holes.

As reported in our announcement of 11th August, the Mineral Concession hosts the same fault and mineralised belt as Zhacon Gold. Zhacon 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 Zhacon along strike following the same fault and mineralised belt as Zhacon. The mineralisation occurs within the Concession both to the north and south of Zhacon, but initial drilling is occurring to the north.

We anticipate assays result from those holes in mid September 2011.

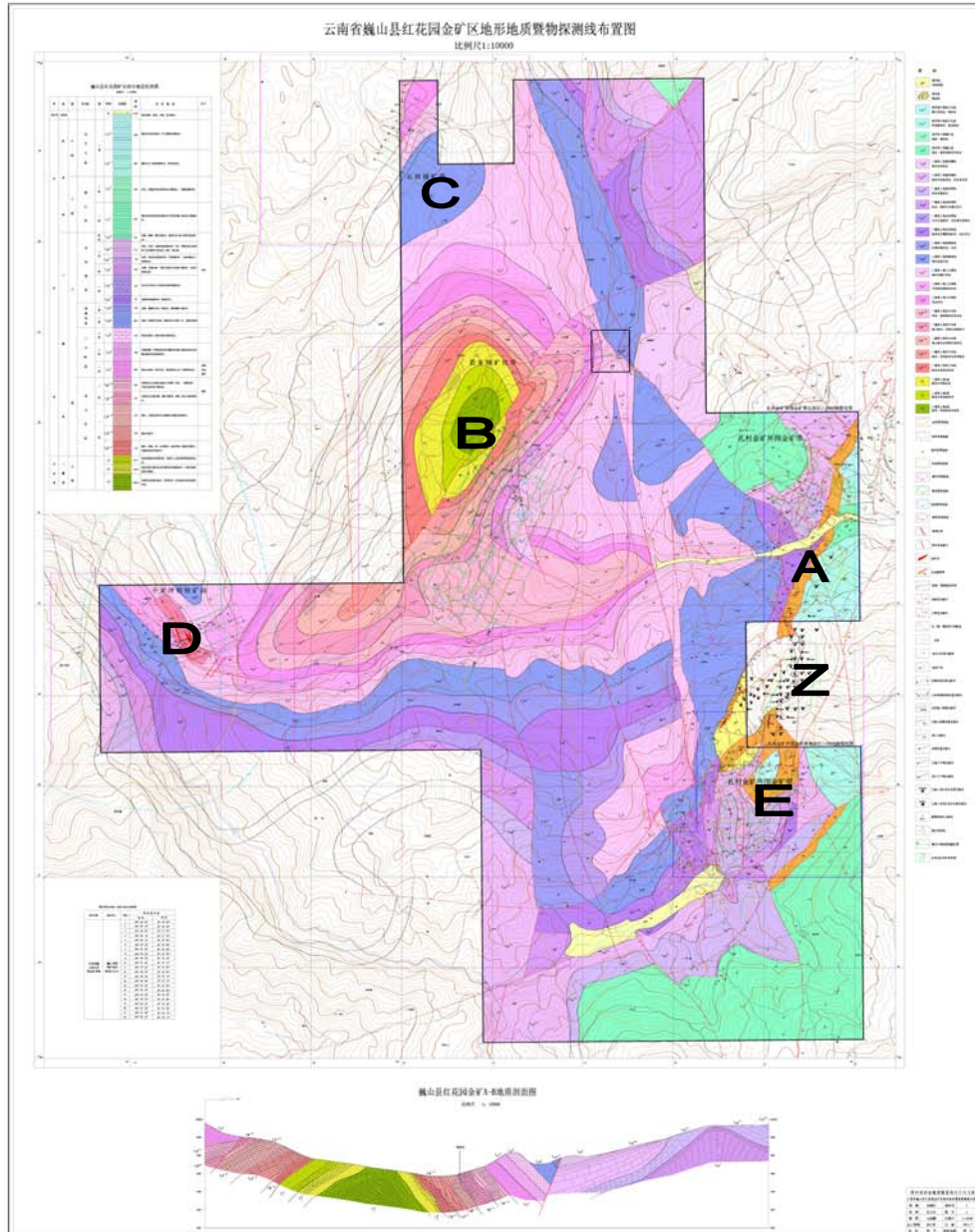
Yours sincerely,



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 – Zhacun 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.