

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

23rd November 2012

Dear Sirs,

Putú Update: SAIS signs Equipment Supply Agreement

Highlights

- **SAIS has signed an agreement for the supply of equipment to progress the development of concessions in Chile.**
- **Dredging equipment, dry ore magnetic separator, sand crusher and sand washing equipment to be shipped to Putú.**

Following Qingzhou Yongsheng Sand-digging Machinery Co., Ltd (“Qingzhou Yongsheng”) and Sinotech Minerals Exploration Co., Ltd (“Sinotech”) visit to our Putú concessions, Chile; South American Iron & Steel Corporation Limited (“the Company” or “SAIS”) has signed an agreement with Prideful Asset Management Limited (“PAM”) to further progress the development of our Putú concessions.

Sinotech’s site survey report (following its site visit to Putú in June 2012) opined the significant amount of iron sands available and the enormous commercial potential of Putú. That visit included site surveys, particularly in the Trinchera area (part of Putú concessions), which accounts for less than 20% in land size of our Putú concessions – see Figure 1.

As announced on 24th October 2012, Qingzhou Yongsheng trip to our Putú concessions was to assess and determine the type of plant, machinery and equipment appropriate and suitable for the production of iron sands concentrates in the Trinchera area of our Putú concessions.

Since Qingzhou Yongsheng trip to our Putú concessions, Qingzhou Yongsheng has been designing and modifying plant, machinery and equipment appropriate and suitable for the production of iron sands concentrates in readiness to ship to our Putú concessions to commence production.

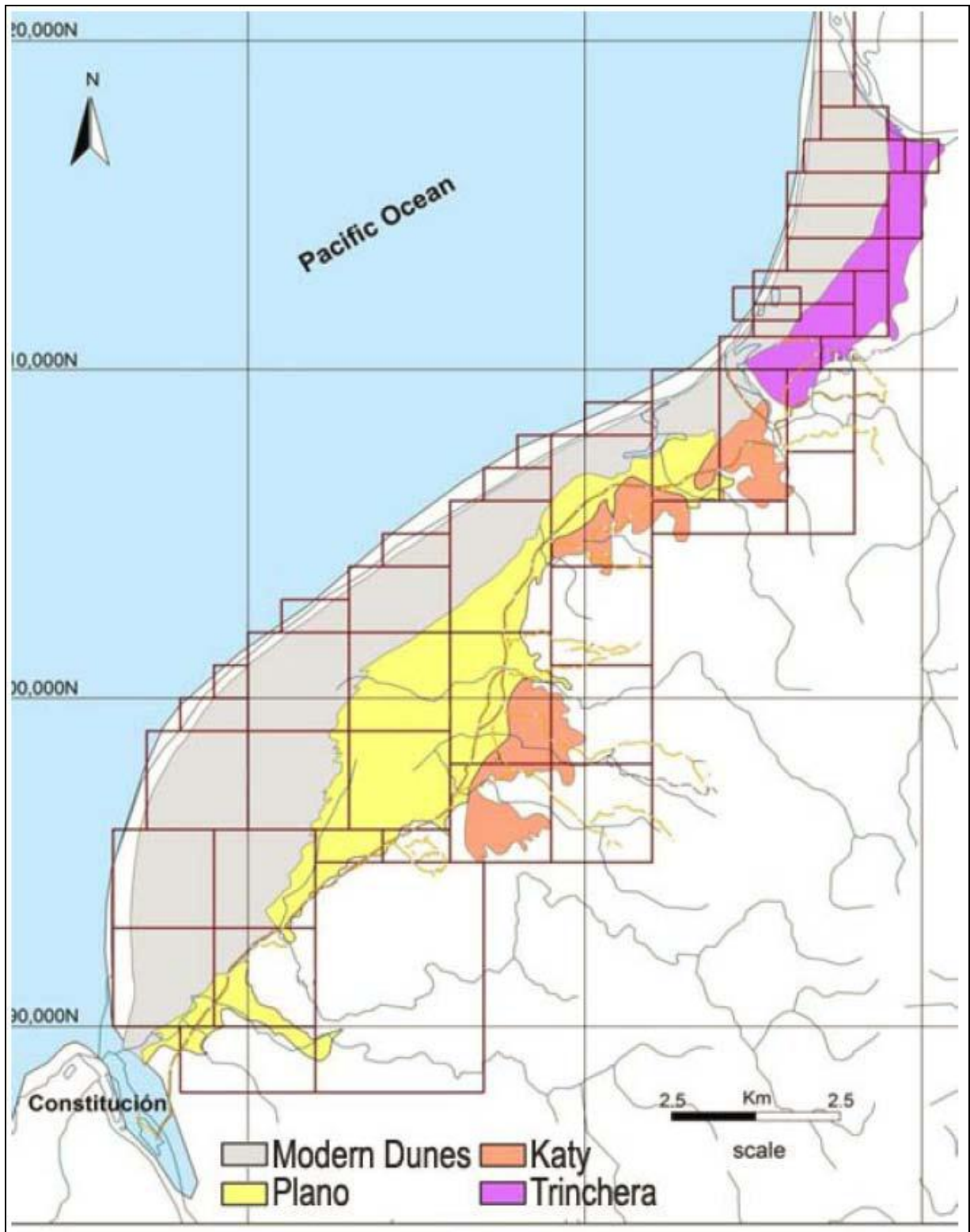


Figure 1: Location of Trincherá within our Putú Concessions

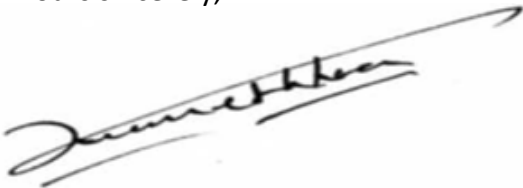
Under the agreement, PAM will:

1. Provide all necessary mining equipment including sand dredging equipment, dredging equipment, dry ore magnetic separator, sand crusher and sand washing equipment.
2. Directly, or through a nominee, operate and mine iron sands for SAIS in the Putú concessions including production management, equipment maintenance, and technical support.
3. Provide finance for all the costs and expenses in relation to the production of iron sands concentrates.
4. Solely bear the cost of all plant, machinery and mining equipment.
5. Share equally with SAIS the profits from the sale and production of iron sands concentrates.

Both parties will jointly develop the Putú concessions with a plan to produce two million tonnes of iron sands concentrates within two years; and five million tonnes of iron sands concentrates within four years from commencement of the signed agreement.

Preparations are underway to ship plant, machinery and mining equipment in 12 containers and they are expected to arrive in our Putú concessions in late January 2013.

Yours sincerely,



Kenneth Lee
CEO

About South American Iron & Steel Corporation Limited

SAIS holds a number of mineral concessions in Chile, South America that host iron sands, in addition. SAIS has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China