

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

30<sup>th</sup> April 2013

Dear Sirs

## **Report on Activities and Appendix 5B - March Quarter 2013**

The Company provides the following report on activities for the three month period ended 31 March 2013.

### **Highlights**

- SAIS proceeds with main focus to commence production of iron sands concentrates as early as possible.
- SAIS has signed an agreement with landowner in our Putú concessions.
- This agreement with landowner will enable SAIS to commence beneficiation of iron sands concentrates.
- Equipment to beneficiate the Company's iron sands concessions at Putú arrives in Chilean port.
- Equipment includes dredging equipment, dry ore magnetic separator, sand crusher and sand washing equipment.
- Equipment – provides 400,000 tonnes annual processing capacity.
- Production to commence as soon as possible.
- Dredging equipment, dry ore magnetic separator, sand crusher and sand washing equipment was shipped to Putú and arrived at our production site in late April 2013.

### **Exploration Activities:**

#### ***Putú Concessions, Chile***

During the quarter, SAIS, through its wholly owned subsidiary Inversiones Aconcagua Ltda ("IAL"), has signed its first mining easement agreement with a landowner owning part of the land in our Putú concessions ("the Mining Easement Agreement").

The Mining Easement Agreement with the landowner covers an area of 81.66 hectares ("Servant Estate of the Property") within our Putú concessions and will enable SAIS to commence trial production of iron sands concentrates. Our Putú concessions consist of 21,271 hectares of exploitation concessions and 6,100 hectares of exploration concessions.

Negotiations with other larger landowners in preparation of a large scale production of iron sands concentrates are continuing.

On 19 March 2013, that the equipment to beneficiate iron sands concentrates has arrived in San Antonio, a major Chilean port.

The equipment consists of two complete beneficiation plants including:

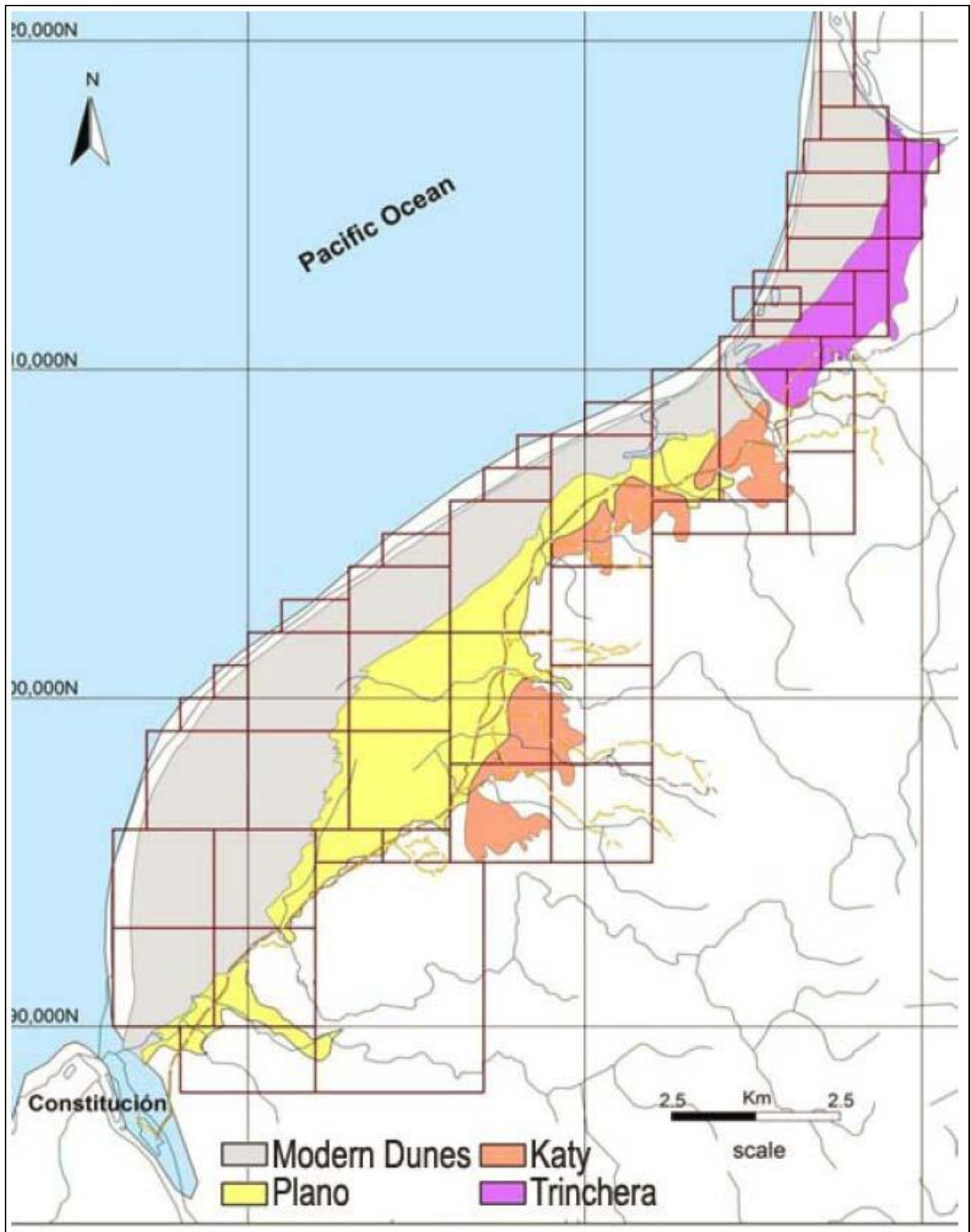
- sand suction dredge;
- diesel powered pumps;
- conveyer belt transfer systems for iron sands through a rotary screen; and
- magnetic separators.

Each beneficiation plant has an annual capacity throughput of 200,000 tonnes of iron sands; thus allowing SAIS to beneficiate 400,000 tonnes of iron sands in a 12 month period from the two delivered systems in Chile.

These plants can be easily duplicated and manufactured at short notice; which means that SAIS can increase its production capacity by adding more units.



*Equipment, similar to those shown above, now in San Antonio, a major Chilean port.*



**Figure 3: Location of Trincherá within our Putú Concessions**

**Corporate:**

On 21<sup>st</sup> January 2013, the Company raised a further \$92,491 in a share placement, at 4 cents each, to international sophisticated investors.

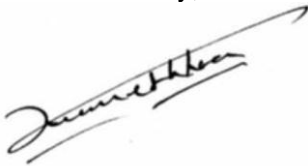
The funds raised will be applied to working capital and further development of our Putú concessions.

The Company is in the process of raising further equity capital for the development of our Chilean concessions.

**Appendix 5B**

The Company's Appendix 5B cash report is attached.

Yours faithfully,



Kenneth Lee  
CEO

**About South American Iron & Steel Corporation Limited**

*SAY holds a number of mineral concessions in Chile, South America that host iron sands and a 10% interest in the Quince concessions. SAY also has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China.*

*Rule 5.3*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

South American Iron & Steel Corporation Limited

ABN

67 060 319 119

Quarter ended ("current quarter")

March 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	31	67
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(228)	(372)
1.3 Dividends received	(252)	(914)
1.4 Interest and other items of a similar nature received	7	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(442)</b>	<b>(1,207)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(6)	(30)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Purchase of Option)		
<b>Net investing cash flows</b>	<b>(6)</b>	<b>(30)</b>
1.13 Total operating and investing cash flows (carried forward)	(448)	(1,237)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(448)	(1,237)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	92	1,592
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	92	1,592
	<b>Net (decrease)/increase in cash held</b>	(356)	355
1.20	Cash at beginning of quarter/year to date	1,087	376
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	731	731

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23	Includes aggregate amounts paid to directors, including salaries, directors' fees, accrued directors' fees and superannuation.
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**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	
4.3 Production (Trial)	150
4.4 Administration	125
<b>Total</b>	295

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	113	203
5.2 Deposits at call	565	831
5.3 Bank overdraft		
5.4 Other – Fixed deposit held for bank guarantees	53	53
<b>Total: cash at end of quarter (item 1.22)</b>	731	1,087

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	313,597,886	313,597,886		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,312,282	2,312,282		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-		-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Unquoted options		Exercise price	Expiry date
	6,000,000	-	\$0.12	19 October 2014
	6,000,000	-	\$0.18	19 October 2014
	6,666,666	-	\$0.10	5 July 2015
	6,666,667	-	\$0.15	5 July 2015
	6,666,667	-	\$0.20	5 July 2015
	650,000	-	\$0.15	23 September 2013
	2,000,000	-	\$0.20	14 December 2016
	2,000,000	-	\$0.25	14 December 2016
	2,000,000	-	\$0.30	14 December 2016
	2,000,000	-	\$0.10	5 July 2015
	2,000,000	-	\$0.15	5 July 2015
	2,000,000	-	\$0.20	5 July 2015
	700,000	-	\$0.15	5 July 2015

+ See chapter 19 for defined terms.



7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 4).
- 2 This statement does ~~/does not\*~~ *(delete one)* give a true and fair view of the matters disclosed



Sign here: ..... Date: 30<sup>th</sup> April 2013  
(Company secretary)

Print name: Kenneth Lee

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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